

# The NATIONAL UNDERWRITER

*Life Insurance Edition*

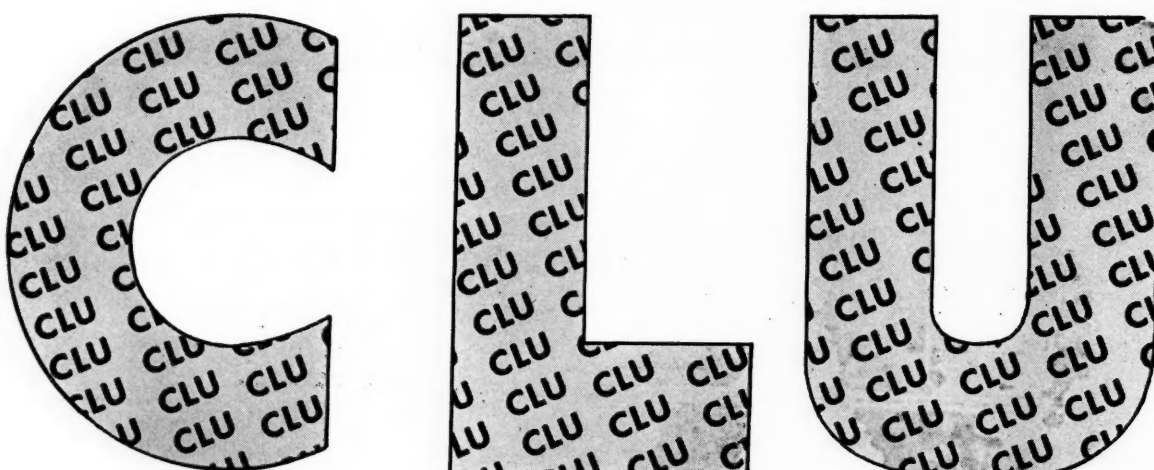
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| <b>CLASS OF SERVICE</b><br><small>This is a full-rate Telegram or Cablegram unless its character is indicated by a suitable symbol placed at the beginning of the address.</small>   | <h2 style="margin: 0;">WESTERN UNION</h2> <small>W. P. MARSHALL, PRESIDENT</small> | <b>SYMBOLS</b><br><small>DL=Day Letter</small><br><small>NL=Night Letter</small><br><small>LT=Int'l Letter Telegram</small><br><small>VLT=Int'l Victory Ltr.</small> |
| <small>The time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.</small>   |  |  |
| <p><b>LDB1 PD=</b></p> <p><b>THE PILOT FIELD FORCE=</b></p> <p>YOUR COMPANY PASSED THE \$1 BILLION MARK IN LIFE INSURANCE IN FORCE TODAY. IT IS FITTING THAT THIS GOAL SHOULD BE ACHIEVED DURING THE PILOT'S 52ND ANNIVERSARY CELEBRATION. IT WAS JUST FIVE YEARS AGO THAT WE PASSED THE HALF BILLION DOLLAR MARK IN LIFE INSURANCE IN FORCE AND AT THAT TIME YOU ENTHUSIASTICALLY SET YOUR SIGHTS FOR THE BILLION DOLLAR MARK. CONGRATULATIONS AND OUR SINCERE APPRECIATION FOR THE JOB YOU HAVE DONE BRINGING US SO QUICKLY TO THIS HIGHLIGHT IN OUR 52 YEAR HISTORY OF SERVING OVER 3 MILLION PERSONS WITH PILOT PROTECTION=</p> <p style="text-align: center;"><b>O F STAFFORD PRESIDENT=</b></p> <p style="text-align: center; font-size: small;">THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE</p> |  |  |



*Pilot Life Insurance Company*

GREENSBORO • NORTH CAROLINA

**FRIDAY, JULY 29, 1955**



## Counsel with Confidence

"C.L.U." might well mean "confident life underwriter."

We are sure that the Penn Mutual C.L.U.'s not only have confidence in themselves because of their broader foundation of knowledge but that they have also gained the confidence and respect of their clients.

The life underwriter who has a strong desire to better himself and be of greater usefulness to his clients will find C.L.U. studies an important aid.

The initials C.L.U. after his name describe the knowledge and ability of a person better than a thousand words.

Back of your  
independence  
stands The  
PENN MUTUAL



**THE PENN MUTUAL LIFE INSURANCE COMPANY • Independence Square, Philadelphia, Pa.**

# The NATIONAL UNDERWRITER

The National Weekly Newspaper of Life Insurance

59th Year, No. 30  
July 29, 1955

## Senate Delays Bill on Income Taxation of Life Companies

**ALC, LIA, LIC Support New Bill at Hearing; Treasury and Acacia Oppose Formula**

WASHINGTON—The Senate finance committee has blocked action on the proposed life company income tax bill by a surprise deadlocked 5-5 vote, thereby failing to report out the bill and deferring any legislation for 1955 until Congress reconvenes in January.

Sen. Byrd of Virginia, chairman of the committee, said action would be taken prior to March 15, the filing date for corporate tax returns, on income taxation of life companies. Any legislation passed prior to that date would govern the tax to be paid by the companies on their 1955 business.

The new tax formula, introduced by Reps. Mills of Arkansas and Curtis of Missouri and passed earlier in the House, was supported at the Senate finance committee hearing by Robert L. Hogg, senior vice-president of Equitable Society and chairman of the joint committee on federal income taxation of American Life Convention, Life Insurance Assn. of America and Life Insurers Conference.

It was criticized by Secretary of the Treasury Humphrey whose assistant, Laurens Williams, submitted to the finance committee a copy of a letter Mr. Humphrey wrote the House ways and means committee several weeks earlier. The secretary's views had not changed. While he admitted the bill would make some improvements, he felt the "proposed exclusion from the tax base of a flat 85% of investment income for ordinary life insurance business does not appear to be justified."

Mr. Humphrey, saying the department had reviewed the problem of life company taxation, suggested an attempt be made to develop "a method of taxing life companies like other businesses on the basis of income from all sources, with appropriate deductions for their expenses and additions to their reserves against their policy contracts." Meanwhile, he said, the 1950 formula might be used, estimating it would produce \$368 million this year as compared to \$189 million obtained under the 6½% rate used from 1951 to 1954 and the \$215 million that would result from the proposed bill. In the absence of legislation this year, the 1942 formula will be applicable and produce \$274 million in revenue.

The bill also was opposed by Scott W. Lucas, special counsel of Acacia Mutual Life and former senator from Illinois, and Edward J. Schmuck, general counsel of the company. They called for taxation on a company-by-company basis. Mr. Lucas said the Mills-Curtis proposal is "another form of stop-gap legislation, with all of the complexities and questions implicit therein." No action should be taken un-

(CONTINUED ON PAGE 16)

## O. T. Hogan of United Issues Statement on Capital Life Sale

O. T. Hogan, chairman of United of Chicago, has sent THE NATIONAL UNDERWRITER a statement concerning the sale of Capital Life of South Carolina to United of Chicago, in which he emphatically denies that any commission was paid by United to D. D. Murphy, former South Carolina commissioner, or to G. R. P. Farquhar or Bradley Layton. Mr. Layton is a former vice-president of Guaranty F. & M., of Charleston, S. C., now in receivership, and Mr. Farquhar was the president of that company.

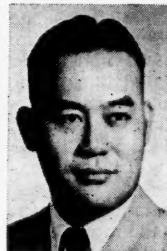
Mr. Hogan's statement follows: "United first learned of a probable sale of Capital Life's business two years prior to closing the transaction. However, at that time L. L. Bates, then president of Capital Life, concluded not to reinsure his company pending the outcome of his race for the governorship of South Carolina."

"Negotiations were re-opened by a visit to Chicago by Mr. Bates and D. McK. Winters, vice-president and general counsel of the company, during the early part of June, 1954, and were finally concluded as of June 21, 1954. At that time Mr. Bates and Mr. Winters informed the officials of United that there were other companies negotiating for their business. They had with them the report made by the South Carolina insurance department examiners, which report showed that the company had \$500,000 less reserve assets to cover policy liabilities than required by law, and they informed us that the stockholders of Capital Life did not care to advance any additional money for the operation of the company."

"As a part of the consideration paid by United for the reinsurance of the business of Capital Life the policy reserve deficiency was cured with a deposit of \$530,000 by United in United States government bonds with

## Hawaii Association Backs Q. L. Ching for NALU Trustee Post

Quan L. Ching, associate manager of Prudential's Honolulu agency, has been endorsed by Hawaii Assn. of Life Underwriters as a candidate for trustee of NALU.



Quan L. Ching

Mr. Ching's candidacy marks the first time in more than 25 years of association with NALU that the Hawaii agents have sought representation on the national board.

The Hawaii association pointed out that Mr. Ching would be their only representative at the convention and would therefore have no campaign manager.

Mr. Ching joined Prudential 25 years ago as a special agent with the Hawaiian Trust Co. agency at Honolulu where his production has earned him a life membership in the Million Dollar Round Table.

He has been president of the Hawaii association for two terms, director for several years and is currently serving his second three year term as national committeeman.

Mr. Ching helped to organize the CLU chapter in Hawaii and was its first president. He has also taught insurance classes at the University of Hawaii.

the South Carolina state insurance department."

Mr. Hogan further stated that by the approval of the Illinois department and the South Carolina department of the reinsurance of Capital Life in United the policyholders of Capital Life were amply protected by the large surplus of United, which is operating in 39 states and the District of Columbia.

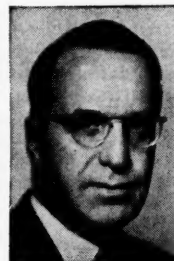
## N. W. Mutual to Write Rated Risks, Revise Policy Line

**Agents Told of Changes at Milwaukee Meeting; Fitzgerald Reviews Growth**

MILWAUKEE—Northwestern Mutual Life will begin issuing extra risk life insurance about Jan. 1 when it also will bring out an entirely new policy series. These announcements highlighted the annual meeting here of the company's Assn. of Agents, attended by about 1,800 producers and their wives.

The decision to write sub-standard risks, made at the quarterly meeting Wednesday of the board of trustees, was described as "historic" by Grant L. Hill, vice-president and director of agencies. Northwestern Mutual has been the only insurer among the top 20 companies not offering insurance rated to cover health impairments. Nearly all of the larger insurers have been writing this class of business.

There were no announcements con-



Edmund Fitzgerald



Grant L. Hill

cerning details of the new policy series, though it was generally expected the changes would be sweeping.

President Edmund Fitzgerald said the plan is to offer the new contracts, to be designated as series FF, as of Jan. 1, 1956, or shortly thereafter.

Mr. Hill said the decision to write sub-standard business was made after extensive research by Elgin Fassel, senior actuary, sounding out field opinion at length and the solid opinion of management in the home office that it is time for the change. "There is no thought of a departure from the typical Northwestern-type buyer," he said. "We are simply going to serve more of our type buyer. In considering special class business, we intend to hold to that standard. We are thinking of insurance for superior persons of the highest moral character with rates adjusted to cover physical impairment. No one in a responsible position has any thought that we begin to insure sub-standard people."

Mr. Hill pointed out that nearly 40% of Northwestern's business last year, including pension trusts, was on plans not being written 15 years ago. "We are thinking during this annual meeting about the adaptability to change if we are to keep pace in the changing world. Think back to the days when we were concerned about the writing of

(CONTINUED ON PAGE 14)

## Late News Bulletins . . .

### Senate OKs Arrangement For NALU Site

WASHINGTON—The Senate has adopted its appropriations committee's amendment recommending \$300,000 for purchase of land in square 62, where National Assn. of Life Underwriters headquarters building site is located.

Approved was an arrangement among NALU, General Services Administration, National Capital Planning Commission and American Pharmaceutical Assn. under which NALU site will be exchanged for other property, it is understood, and street improvements and parking space provided in the area.

The supplemental bill was passed by the Senate and sent to a joint conference committee for adjustment of differences between the two houses, including that over the land purchase.

### House to Hear Life Men on Sales to GIs

WASHINGTON—The House subcommittee headed by Rep. Hebert of Louisiana is holding hearings July 28 and 29 on sale of commercial life insurance to servicemen in Europe and the U. S. Scheduled to appear are Henry R. Glenn, associate general counsel of Life Insurance Assn. of America, Dudley Dowell, executive vice-president of New York Life, representing American Life Convention, Life Insurers Conference and LIA, Louis J. Grayson, chairman of the committee on servicemen's and veteran's affairs of National Assn. of Life Underwriters, J. J. Murphy, of National Assn. of Life Companies, and representatives of the defense department.



## Sales Avenues Opened by New Tax Law Explored at N. W. Mutual Agents Meeting

Sales possibilities in the business insurance field comprised a principal portion of the program for the annual meeting at Milwaukee of Northwestern Mutual Life agents.

C. B. McCaffrey, director of advanced training, presented problems and their solutions as they relate to the professional man. He said more and more professional men are combining services and operating as partnerships. The arrangements present problems in the liquidation of a deceased partner's interest, in the disability of a member during the active years, and in the retirement of a member at the end of the active years. He showed how life insurance can be used in solving financial problems in such transactions.

Mr. McCaffrey said the 1954 tax law eliminating the premium payments test removed one of the most troublesome aspects of estate planning. Now the insured can furnish the premium money and if he holds no ownership rights in the insurance the proceeds payable to named beneficiaries will not be taxable in his estate. This has opened some fine opportunities for servicing existing insurance and selling additional coverage, he said.

Mr. McCaffrey also mentioned the provision of the federal law which permits an estate of a deceased shareholder to sell enough stock to his corporation to cover estate taxes and death charges. This provision is unique in that the partial sale of stock is not considered a taxable dividend or distribution.

Arthur D. Reed, Nashville, described the right of redemption of stock of a close corporation for payment of estate and inheritance taxes as the biggest break of modern times for the agent. In the old law an estate was permitted to sell to a corporation sufficient stock to pay estate and inheritance taxes where the value of the stock belonging to the decedent consisted of more than 35% of his gross estate, without having the purchase price treated as a dividend. The new act broadened this provision to also permit redemption where such value consists of more than 50% of the net taxable estate, which in many instances will amount to only 25% of the gross estate. Further, several corporations may be treated as a single corporation if decedent owns more than 75% of the stock of each. Also, sufficient stock may now be redeemed to pay funeral expenses and administration expenses, in addition to estate and inheritance taxes.

The short term trust is another valu-

able tool of the new act, according to Mr. Reed. The mechanics are simple. Grantor creates a trust for not less than 10 years, during which time someone else must be the beneficiary of the income, and at the end of the trust period the trust property reverts to the grantor. The one exception to the 10-year requirement is that in the event of death the beneficiary the trust may terminate at that time.

The principal advantage of such a trust lies in the income tax savings, although there would also be slight inheritance tax savings if donor's death occurs during the trust period. Income from the property will be taxed to the beneficiary if paid out to him, or to the trustee if accumulated during the trust period and paid out to the beneficiary at the termination of the trust. In either case, Mr. Reed said it can be assumed that there will be substantial savings.

Julian D. Walter, Chattanooga, Tenn., said agents today have the most favorable tax law, opportune business conditions and public acceptance of their product in which to sell life insurance, and particularly business life insurance.

Mentioning that business insurance presentations can fill both personal and business needs, Walter W. Davis, Indianapolis, said the agent who ignores this field is passing up sales of real consequence. "It is a wonderful method of 'getting to' the substantial and usually older buyer because many times his personal agent can be bypassed. The approach has many of the attributes of the package sale and, with experience, can be directed into a complete fact-finding interview which is, of course, the real basis of every sale."

## Otterbein to Western Division of Home Life

Home Life has appointed Keith W. Otterbein agency field assistant in Los Angeles headquarters of the newly formed western sales division.

Mr. Otterbein, who will assist Vice-president John F. Walsh in the division's administration, joined Home Life at Detroit in 1949 and was advanced to assistant manager there in 1952.

Formation of the western sales division is a major step in Home Life expansion. All agencies west of Denver are included in the division. Plans call for developing new agencies principally in the more heavily populated areas of California and the Pacific northwest.

## Combs Rules Against Washington National in Policy 'Coercion' Case

LITTLE ROCK—Commissioner Combs has ruled that Washington National resorted to unfair and illegal tactics in writing a \$1 million life policy last March for Dr. George S. Benson, president of Harding College, Searcy, and he ordered the company to "cease and desist from engaging in such method of competition, acts and practices". The decision was the first of its kind handed down under Arkansas' fair trades practices law which was enacted in 1949.

Washington National will appeal the decision to chancery court. A Washington National spokesman said the decision came as a surprise to company officials. The testimony of company witnesses, which included that of Dr. Benson, brought out that there was no coercion, intimidation, or return of premium in connection with placement of the policy with Washington National, the spokesman stated.

The case arose from a complaint brought before the department by John Greene, Little Rock agent. Mr. Greene charged that in March, after he had arranged for \$1 million coverage on Dr. Benson through Northwestern Mutual, Mutual of New York and New York Life, and the premium had been paid, the college's board of trustees at the instance of Washington National switched the business to the latter. Dr. Benson at that point had not been medically examined.

In an eight-page decision, Commissioner Combs reviewed in detail testimony at the hearing. "I am convinced that an inducement and a consideration... entered into Washington's issue of the policy which has not been fully disclosed, but at the same time it is quite apparent from the evidence heard by me, and I am of the opinion, that the company resorted to unfair trade practices... when it procured the policy on Dr. Benson... and caused the board of trustees of Harding College to cancel the applications to other companies..."

The decision continued: "Premium adjustments amounting to rate cutting for competitive purpose would soon destroy the life insurance business. In my opinion, all the evidence, fitted together as a pattern, creates a picture of a transaction that I, as insurance commissioner of this state, cannot condone. The very life and existence of the insurance business depends on fair treatment to agents and fair dealing between companies. I cannot place my stamp of approval upon the company's actions in the matter. To the contrary, I consider such actions as unfair, deceptive and unlawful. The testimony clearly indicates that by the concerted action of the officials and agents of Washington National, they are guilty of committing an act of coercion or intimidation in this case."

## New York Life Sales Set First Half Record

New York Life sales of individual life in the first half of 1955 totaled \$874,595,000, increase \$186,395,000, a record high for the first six months of any year.

The company sold 505 group cases with a premium volume of \$6,919,000 compared to 337 cases with premium volume of \$5,509,000.

Largest application on one life was for \$2 million. There was one for \$1.5 million and four for \$1 million. The company received 583 applications for policies of \$100,000 or more.

## Travelers Promotes Frazier, Smith and 8 in Underwriting

John P. Frazier Jr. has been appointed comptroller of the four Travelers companies and Seymour E. Smith has been named vice-president and actuary of Travelers. Harold A. Waterman, Frederick A. Clinton and



S. E. Smith



John P. Frazier

Thomas F. Siegel have been promoted to secretaries in the life underwriting department, Robert A. Mercer and Clarence G. Wahlberg have been named assistant secretaries in that department, and Newton E. Alling, Edwin Erickson and Frank G. Russell have been appointed chief underwriters.

Mr. Frazier, named to succeed H. Randall Pease, who retired, joined the general accounting division in 1936 and served in the Hartford branch from 1944 to 1946 when he returned to the home office. He was named assistant chief accountant in 1947 and assistant comptroller later that year.

Mr. Smith, promoted to replace Thomas F. Tarbell, who retired, joined the supply department in 1934 and worked in the casualty actuarial department from 1937 to 1943. After a military leave of absence, he joined the compensation and liability department, advancing to assistant secretary in 1948 and secretary in 1950. He was transferred to the casualty and fire actuarial departments and was named associate actuary in 1953.

Mr. Waterman joined Travelers as a mail clerk in 1916. He was appointed an underwriter in the life department in 1919, chief underwriter in 1926 and assistant secretary in 1945.

Mr. Clinton, who joined Travelers in 1919, was made an underwriter in the life department in 1920, chief underwriter in 1928 and assistant secretary in 1945.

Mr. Siegel, with the company since 1919, was appointed an assistant underwriter in the life department in 1924, underwriter in 1926, chief underwriter in 1935 and assistant secretary in 1952.

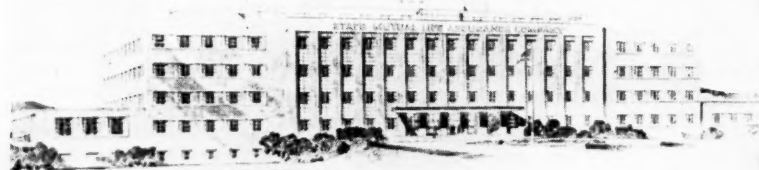
Mr. Mercer joined the life department in 1919 and was named an underwriter two years later. He was appointed senior chief underwriter in 1952.

Mr. Wahlberg joined Travelers in 1919 and was named underwriter later that year. He became chief underwriter in 1945.

Mr. Alling joined Travelers in 1927, advancing to assistant underwriter in 1935 and underwriter in 1940.

Mr. Erickson, with the company since 1925, became an assistant underwriter in 1927 and underwriter in the life department in 1941.

Mr. Russell joined the life department in 1920. He was made assistant underwriter in 1924 and underwriter in 1941.



Ground has been broken by President H. Ladd Plumley for State Mutual Life's new multi-million dollar five-story home office. The air conditioned building will be erected by Turner Construction Co., New York City, two miles from downtown Worcester on a landscaped 31-acre plot. With a central core of executives and 500,000 square feet of column-free work area, it will contain automatic elevators, moving stairways, large cafeteria, library, lounges and recreational facilities for employees. Shown above is the sketch by Cram & Ferguson, Boston architects. Plans call for occupancy sometime during 1957.



## Company Presidents Comment on Current Trends in Business

### Colonial Life Has Unusual Symposium for Its General Agency Department Rally

A panel of four life insurance chief executives was an unusual feature of Colonial Life's general agency department convention at Spring Lake, N.J. The panel included James A. McLain, president of Guardian Life, William P. Worthington, president of Home life of New York, Holger J. Johnson, president of the Institute of Life Insurance, and Richard B. Evans, president of Colonial. Mr. Evans, who acted as moderator, led off by noting the many changes occurring in the national economy and their effect on the life insurance business.

Questions asked of panelists dealt with the decrease in number of applications in the business, effects of basing premium per \$1,000 on policy size, the mounting volume of term insurance being sold, specialized selling as contrasted with estate analysis work, the amount of life insurance a man should own, and the ways in which an agent can promote good public relations for the business.

Mr. Worthington commented on the increased volume of life insurance sales in contrast to the decreasing number of applications being sold today. He said this was not a desirable condition. While the life insurance agent is doing an excellent job of selling a larger volume of life insurance, he felt the agent was leaving a gap in an already neglected market in perhaps not calling on as many people as he should in the course of his work. Unless an agent gears himself to seeing a larger number of people, sooner or later these same people will either not be interested in buying from him or may become uninsurable. A primary purpose of the institution of life insurance is to serve as many people as possible and Mr. Worthington said the job is measured by the number of people served and not necessarily by the increased volume of business sold. He advised all agents to concentrate on the number of lives as well as on the volume of business sold.

It was pointed out that while volume is a major factor for qualification in the Million Dollar Round Table, most of the qualifiers in this select group are also leaders in number of lives sold, and that the average MDRT member sells about 110 policies a year. He advocated that the new man in the business set himself a goal of insuring at least 100 lives a year. When an agent accomplishes this goal, the law of averages from referred leads works out in his favor and there is little reason for him to become discouraged later on because of a prospecting problem. Mr. Worthington feels that an agent should divide his work week in two parts—(1) Monday to Wednesday and (2) Thursday to Saturday. If this agent were able to sell two applications a week he would write 100 lives per year and the volume would pretty much take care of itself.

He commended the American agency system and said that he could see

## Results for First Six Months Given

|                                  | 1955<br>New Life<br>Ins. Bus. | 1954<br>New Life<br>Ins. Bus. | 1955<br>In Force<br>Inc. | 1954<br>In Force<br>Inc. |
|----------------------------------|-------------------------------|-------------------------------|--------------------------|--------------------------|
| Acacia Mutual Life               | 76,964,318                    | 66,867,998                    | 38,850,012               | 29,638,503               |
| American National                | 373,019,735                   | 282,886,736                   | 182,834,410              | 109,004,042              |
| Bankers Life, Ia.                | 94,948,841                    | 91,486,992                    | 60,270,945               | 62,370,120               |
| California-Western States Life   | 70,348,774                    | 62,457,435                    | 85,300,413               | 49,453,331               |
| Columbian National Life          | 21,407,000                    | 25,440,700                    | 10,478,000               | 6,953,000                |
| Connecticut Mutual Life          | 201,310,838                   | 178,077,592                   | 128,208,556              | 116,014,657              |
| Continental Assurance            | 196,440,224                   | 212,642,374                   | 243,070,540              | 106,168,555              |
| Equitable, Washington, D. C.     | 12,497,602                    | 12,714,508                    | 4,177,000                | 5,738,479                |
| Guardian Life                    | 73,910,490                    | 66,614,377                    | 39,494,326               | 36,531,933               |
| Life of Virginia                 | 106,333,310                   | 86,578,444                    | 73,071,744               | 32,502,348               |
| Lincoln National Life            | 497,562,307                   | 491,825,581                   | 280,787,965              | 220,871,159              |
| London Life                      | 224,079,177                   | 196,433,969                   | 158,716,370              | 132,137,476              |
| Monumental Life                  | 50,400,000                    | 41,600,000                    | 24,300,000               | 14,100,000               |
| Mutual Benefit Life              | 176,925,000                   | 135,900,000                   | 89,000,000               | 63,000,000               |
| North American L. & C.           | 57,951,116                    | 62,747,840                    | 36,283,278               | 43,568,555               |
| Northern Life, Seattle           | 14,131,070                    | 11,612,103                    | 8,619,098                | 981,448                  |
| Ohio National Life               | 55,081,982                    | 50,530,444                    | 27,670,759               | 26,273,086               |
| Security Life & Trust            | 118,003,473                   | 85,455,122                    | 99,750,264               | 28,791,809               |
| Southwestern Life                | 67,942,907                    | 68,631,005                    | 74,153,124               | 49,006,879               |
| Security Mutual Life, Binghamton | 25,237,035                    | 37,846,396                    | 23,370,220               | 27,741,243               |
| State Farm Life                  | 97,284,060                    | 78,380,729                    | 54,921,185               | 43,182,056               |
| Teachers Ins. & Annuity          | 14,211,730                    | 15,448,705                    | 7,417,562                | 7,961,729                |
| United Benefit Life              | 87,674,435                    | 72,308,068                    | 66,715,346               | 48,321,137               |
| United States Life               | 78,589,717                    | 85,312,885                    | 62,196,739               | 65,484,848               |
| Washington National              | 59,893,041                    | 46,169,309                    | 30,975,527               | 22,859,672               |

In addition revivals and increases amounted to: \$45,575,468.

### Best 6 Months Recorded by Jefferson Standard

Jefferson Standard Life sales during the first six months totaled \$102,050,319, first time in history that sales exceeded \$100 million in any six-month period.

Insurance in force rose to \$1,385,499,966 at midyear, a gain of \$61,059,453 during the first half. Total assets reached \$409,898,411 during this period.

The board has voted a dividend of 25 cents a share, payable Aug. 10 to stockholders of record Aug. 1 and adopted a resolution in honor of Miss Mary R. Taylor, agency relations director, for her 50 years in the life business, 43 of them with the company.

After 60 years in downtown Detroit, the F. A. Smart Agency of Equitable of Iowa moved to new offices at 1970 James Couzens Highway.

### Mutual Benefit Sales Rise 30% in First Half

Mutual Benefit Life sales in the first six months of 1955 totaled \$174,917,707, increase 30%, while June sales amounted to \$29,758,165, up 29%.

William T. Earls agency in Cincinnati led at midyear, with \$8 million in sales, \$1 million increase. Solomon Huber agency in New York City was in second place with \$7.5 million, up \$3 million, and Arthur V. Youngman agency in New York City was third with \$6,932,000.

### Western Bankers Elects Dr. Smith

Dr. Thomas E. Smith of Dallas has been elected chairman of Western Bankers Life to succeed Thomas L. Amis, retired.

Dr. Smith is an associate professor at Southwestern Medical School in Dallas.

## Life Stocks Climb, Reflect Growth and Scarcity of Shares

The bid and asked prices of life insurer stocks continue to climb. The investing public is becoming more and more aware of what life companies are doing and are learning what stocks have reflected the sharpest increases, such as Continental Assurance, Franklin Life, Connecticut General, Lincoln, National and others.

As a result, the price of some of these stocks is moving upward to 18 to 20 times earnings, whereas formerly, for years, they could be purchased at five to 10 times earnings. Life stock prices turned the corner in 1946-47 when interest rates life companies could earn on investments, which had been going down for a long time, turned upward.

Much of the rise in price has been due to the scarcity of such stocks. It is pointed out that there are only about 85 million shares of insurer stock extant for all types of insurance companies, life, fire and casualty, and yet General Motors alone, after the split, will have four times that many. There are some 15,000 banks in the country, but only several hundred life insurance companies, and most of them are mutuals. Consequently there are only a relatively few life insurance shares outstanding.

This does not mean that life stocks generally are selling for more than they are worth. Life companies are putting on tremendous amounts of business and have been doing so for a long time. In the early stages of such business, companies must put up large reserves, thus earnings are bound to rise as the cost of acquiring and reserving is met and passed. Many companies are writing on an interest assumption of less than 3%—they used to write business at 4%, which is another factor which makes the future promising. In addition, there is room for more growth. In the 1920s insurance in force represented 5% of gross national product, today it is around 3.7%.

Fifteen of the 19 most actively traded life company stocks, for which figures are compiled by Shelby Cullum Davis & Co., New York City insurance stock and municipal bond specialists, showed increases in asked prices in the past month. Three showed decreases.

Travelers will authorize a 20-for-one split of stock, and when distributed, a one-for-four stock dividend. The bid and asked prices under this arrangement are shown for July 27. Below are the bid and asked prices at the close of business July 27 and the changes in asked prices since June 29 for the other 18 stocks, also.

|                    | Bid    | Asked | Changes |
|--------------------|--------|-------|---------|
| Aetna Life         | 257    | 262   | -13     |
| Colonial           | 146    | 152   | 23      |
| Columbian Nat.     | 105    | 109   | 10      |
| Conn. General      | 555    | 562   | -18     |
| Continental Assur. | 223    | 229   | 54      |
| Franklin           | 142    | 146   | 16      |
| Great Southern     | 97     | 103   | 8       |
| Gulf Life          | 36     | 37    | 5%      |
| Jefferson Standard | 129    | 135   | 24      |
| Kansas City Life   | 1750   | 1900  | 500     |
| Life & Casualty    | 33 1/2 | 35    | 3 1/2   |
| Life of Virginia   | 160    | 166   | 34      |
| Lincoln Nat.       | 497    | 504   | 40      |
| Monumental         | 95     | 99    | -4      |
| National L. & A.   | 103    | 106   | 5       |
| Northwestern Nat.  | 97     | 101   | 9       |
| Southland Life     | 208    | 218   | 48      |
| Southwestern Life  | 105    | 203   | 23      |
| Travelers          | 111    | 114   |         |

C. M. Dyer, assistant loan agent at Indianapolis for Northwestern Mutual Life, becomes loan agent there, succeeding William B. Mayberry, who has been transferred to Cleveland.

## The COMMONWEALTH Commentary

### CONGRATULATIONS TO OUR N.Q.A. WINNERS!

Henry Abraham  
Richard E. Bauer  
R. R. Beaton  
George L. Buchanan  
William D. Busch  
Don B. Cawthorne  
James M. Clark  
Mazie Coffman  
Eugene J. Copeland  
Ira L. Crowe  
James L. Doak  
Donald J. Doepker  
Robert A. Dozier  
Zack G. Drake  
Fred L. Edwards  
F. G. Elsass  
Billy G. Flowers  
Rollo O. Fox  
F. Harold Fralich

C. D. Galey  
J. Orville Groff  
Wilson L. Gunn  
Raymond J. Hanley  
W. C. Harshy  
Edwin L. Hartman  
C. D. Haskins  
James F. Haskins  
Christopher D. Jackson  
Brooks Jones  
John T. Koprowski  
Walter W. Kramer  
James L. Lasher  
Matthew P. Leonard  
C. Robert Mason  
Tandy J. McGinnis, Sr.  
M. L. Morgan  
Ethad E. Noble  
Robert F. Pace, Jr.

James M. Phebus  
LeMoyné E. Plausche  
Marvin L. Preston  
Junius B. Queen  
Daniel H. Quirey  
Raymond V. Ray  
Edward A. Russell  
John T. Schack  
Robert D. Stamps  
Albert C. Straub  
Bernard C. Strawn  
Nicholas C. Stull  
D. C. Thomas  
Cecil Thrasher, Jr.  
Howard W. Tittelbaugh  
Bess T. Velter  
Harry T. Weinstein  
Paul T. Whitsett  
Thomas Arthur Wilson



## COMMONWEALTH Life Insurance Company

HOME OFFICE • LOUISVILLE, KY.

The Doorway to Security

(CONTINUED ON PAGE 16)

## Sales Hit Record Pace for Life of Virginia; Other Gains Registered

The first half of 1955 was the most productive in sales and increase in insurance in force of any six-month period in the history of Life of Virginia, according to President Charles A. Taylor.



Charles A. Taylor

More than \$150 million of new life insurance was sold during the first six months, not including \$20 million of U. S. government employees group. Insurance in force increased by more than \$91 million, more than double the gain made during the first half of 1954. Sales were good throughout the company's 24-state territory, the greatest increases coming in Virginia, Michigan, North Carolina, Georgia and Indiana.

Early this year work was begun on an addition to the home office building which overlooks the state capitol in Richmond. The addition, along with extensive remodeling and air conditioning for the entire building, will cost in excess of \$1,500,000.

During the first half year, the district offices were established in Aiken, S. C.; Bristol, Tenn.; Dayton, O.; Muncie, Ind., and a second office was opened at Miami. The field force was increased by 132 full-time representatives, more than two-thirds of the increase coming in the older districts. Before the end of the year additional offices will be established in Virginia, Louisiana and Texas.

A new district office building erected in Petersburg, Va., was opened in January, and construction was begun this month on another which will be the new home of one of the company's four Richmond agencies. Following a trend starting in 1953, the

company since the beginning of this year has moved 11 district offices from downtown buildings to quarters in less congested areas where there is space for customer and employee parking. The one-story, air-conditioned buildings of modern design have been constructed to company specifications to suit the requirements of each office.

Life of Virginia has more than doubled in size during the past nine years, and now has more than \$1,843,000,000 of insurance in force.

## John Hancock Sales \$968 Million to Date

John Hancock's new sales in all lines totaled \$968 million in the first six months, boosting total in force to \$16.5 billion. It is the seventh year the company passed another billion mark in force.

New ordinary and monthly debit increased \$103 million in the first six months, bringing total issue to \$669 million, compared to \$9 million rise last year. Ordinary and monthly debit sales helped set a record in 1954, increasing \$31 million to a total issue of \$1,077 million for the year.

The company attributed the increases to its low cost insurance introduced in May, 1954, new sales techniques, centralized office procedures, and a general rise in economic conditions.

## R. E. Meek in New Post

Robert E. Meek has been named general agent at Appleton, Wis., for Washington National.

Mr. Meek started in insurance more than six years ago with Business Men's Assurance, serving 1½ years as a producer and 4½ years as district manager, first in Wisconsin and more recently at Grand Rapids, Mich.

## Mass. Mutual Assistant Counsel

Massachusetts Mutual Life has appointed Norwood Cox assistant counsel. Mr. Cox has been with a Boston law firm and formerly was law secretary to Judge Sweeney of U. S. district court in Massachusetts. Previously he did research in international law for the office of strategic service in preparation for the war crimes trials.

## Latest FTC Citations Not Seen as Definite Finding of Violation

WASHINGTON — Joint Committee on Health Insurance, composed of representatives of seven insurance associations whose memberships include companies issuing A&H, has made the following statement regarding complaints lodged by federal trade commission against advertising practices of three more companies issuing A&H: "The complaints . . . by federal trade commission against advertising practices of three companies issuing A&H arise out of a continuing investigation begun nearly two years ago with the cooperation of the insurance business."

"The complaints that have just been issued by the commission are based on advertising used by the companies before the investigation began, and before codes prescribing advertising standards and practices were voluntarily developed by the A&H insurance business last year."

"Like similar FTC complaints against the advertising of other A&H insurance companies during the past year, the complaints made public today are a formal procedure of the commission, and not a definite finding or ruling that the advertising formerly used by these companies was in conflict with provisions of the federal trade commission act."

The companies cited, their hearing dates and locations are: Inter-Ocean, Sept. 8 at Cincinnati; Washington National, Sept. 14 at Evanston, Ill.; and Craftsman, Sept. 19 at Boston.

FTC said these three complaints bring to 31 the number of insurers charged with violating section 5 of the FTC act which outlaws unfair and deceptive acts and practices in interstate commerce. Two of the cases resulted in consent orders to cease and desist from the complained of advertising. The others still are in litigation.

FTC said the latest complaints charge false advertising of the duration of policies, of the date benefits begin, of the amounts payable for hospital room and board and surgical care, and of the number and types of illnesses covered.

"For example, Inter-Ocean is charged with making the following statement regarding the life of its policy: 'no reduction of benefits at any age'; 'no increase of premium at any age'; 'no age of termination in policy,'" FTC said.

"Actually," the complaint alleges, "although the representation or implication is that the policy will be continued for life as long as the insured pays his premiums, the policy can be terminated by the company at the end of a premium term for 'any reason or no reason at all.'"

"Another example is found in the claim made by Craftsman that one of its policies pays up to \$1,000 for operations," FTC continued. The complaint alleges that the company has represented or implied that it will pay up to \$1,000 for any operation, but actually, \$1,000 is paid only in two instances: where the loss of two limbs is involved and in the loss of both eyeballs. Of the other 50 operations listed, one pays \$500, six pay \$150 and the remaining pay \$125 or less.

"Washington National is charged, among other things, with advertising that certain of its policies cover 'every

sickness and every accident,'" FTC added.

James M. Mead, outgoing member of FTC, has recommended that chairmen of government regulatory agencies—including FTC—be stripped of some of their power. A Democrat whose FTC appointment was not renewed by President Eisenhower, Mr. Mead made his proposal before a House small business subcommittee considering whether FTC and other quasi-judicial federal agencies have been unduly influenced by political factors or by officials in the executive branch.

He suggested that Congress revive the system whereby the chairmanship of regulatory agencies was rotated among commissioners each year. An administrator was provided for handling day-to-day operations of the agency. Under a 1953 reorganization order, the chairmen are named by the President and also serve as administrative heads.

FTC Chairman Howrey defended the changes he has made in the agency and said he should continue his administrative duties.

## WASHINGTON NATIONAL ANSWERS FTC CHARGES

R. J. Wetterlund, chairman of Washington National, said the FTC action came as a surprise, "considering we have cooperated with the FTC in every possible manner by furnishing it with our scores of policy forms and advertising material which were sent over a year ago. At that time, we asked the FTC to tell us if in its opinion it considered any of our policy forms or advertising material objectionable so that we could take steps to make corrections. Needless to say, no objections or suggestions were ever received from the FTC."

"While we have not had opportunity to completely analyze the complaint, we understand that it refers specifically to the descriptive material pertaining to only a few of our many A&H policy forms."

Mr. Wetterlund said all of the policy forms of Washington National are approved by the insurance departments of all the states in which the company operates and meet all of the requirements of the laws of those states. Moreover the company has been one of the leaders in promoting the ethical code of A&H advertising adopted by the insurance industry and was one of the original subscribers to the code. "To my knowledge," Mr. Wetterlund said, "we have received no complaints from the public nor from any regulatory official concerning the matters complained of by the FTC. It is hardly necessary to add that our company will take all necessary steps to defend itself against these charges which we believe to be completely unfounded."

## Joins Conn. Mutual Board

Sherman R. Knapp, president and board member of Connecticut Light & Power Co., has been elected to the board of Connecticut Mutual Life. He also is on the boards of Hartford Steam Boiler, Hartford Accident, Hartford Fire and other companies.

## Davies Named Manager in Ohio

William H. Davies Jr., field training consultant for Commonwealth Life, has been appointed district manager at Findlay, O. He joined Commonwealth in 1949 as an agent at Owensboro, Ky., was named assistant manager there in 1951 and field training consultant in 1954.

Presenting . . .



## Our 1955 National Quality Award Winners

ILLINOIS  
Stanley M. Krawczyk  
John J. O'Malley  
Hayden R. Parker  
Michael J. Shanley  
Kenneth P. Sheppard  
R. E. Sheppard

INDIANA  
Louis M. Carr  
Francis H. Davis  
Eugene K. Druart  
Russell Farmer

HARRY FLEENOR  
Harry Huston  
D. R. Johnson  
Nate Kaufman\*  
James B. Lee  
Curtis McClelland  
W. G. McClelland  
A. R. Meyer\*  
Doyal E. Plunkitt  
William H. Plymate  
Clyde W. Raab  
Joseph B. Rowkamp

CHARLES A. STUCKEY  
Julian W. Schwab†

IOWA

ARTHUR J. GOODMAN

OHIO

NORMAN D. EDWARDS

E. LOWELL RIFE

PETER SCAFFIDI

MICHIGAN

GUY E. FAIRFIELD

LEWIS H. VANDE BUNTE

MINNESOTA

ROBERT E. HANSEN

ERNEST HERZOG\*  
Arthur M. Klinefelter  
Raymond E. Wick

TEXAS

FINCK DORMAN\*

PAUL HAMON

C. B. INGRAM, JR.

MALVERN MARKS\*

EDGAR T. RUSSELL\*

H. BRUCE VEAZEY\*†

†Deceased

\*Qualified for 10

years or longer

WALTER H. HUEHL, President ARNOLD BERG, C. L. U., Agency Vice-President

# INDIANAPOLIS LIFE

INSURANCE COMPANY

Mutual—Established 1905

INDIANAPOLIS 7, INDIANA

AGENCY OPPORTUNITIES In Illinois, Iowa, Ohio, Michigan, Minnesota, Missouri, North Dakota, Texas, Wisconsin



## Survey Insurers on Hospital Cover Application Forms

A total of 29% of 87 members of Bureau of A&H Underwriters admitted in a study of individual and family hospital expense insurance application forms that they experienced difficulty in obtaining from prospective insured the required information.

Conducted by the bureau's hospital expense insurance subcommittee, of which Robert W. Carey of New York Life is chairman, the study was carried out in response to the request of companies for current information on many aspects of application forms in use today.

The study also showed that an analysis of the difficulties of companies with unsatisfactory application forms showed the principal fault to be inadequacy of questions with regard to individual medical histories of family members; also difficulty in identifying each family member with his particular medical history. Another informational problem listed was female disorders. Lack of sufficient space on forms for complete answers to medical questions was similarly noted.

The subcommittee report said that some companies planned rewording their application form questions or changing the format. A number of insurers pointed up the difficulty with phrasing questions on application forms which certain state insurance departments interpret as "opinion questions."

## Ask Opposition to Pa. 2% Premium Tax Bill

Leon B. Fink, manager of Equitable Society and chairman of the legislative committee of Philadelphia Assn. of Life Underwriters, has called upon all managers, general agents and members to oppose a bill in the Pennsylvania house that would impose a 2% premium tax on all domestic insurance companies.

The bill, part of Gov. Leader's package tax plan, has been reported out of committee and passed first reading in the house. Second reading was scheduled for July 26.

E. P. Bragdon, legislative chairman of Pennsylvania Assn. of Life Underwriters, said the bill concerns only domestic companies at this time, but could lead to increased premium taxes on all insurance written in the state. He asked the Philadelphia association to help oppose it.

## Columbus Insurance Night

The Columbus, O., Jets baseball team honored the insurance industry with a special insurance night. Fred Jones, president of the Jets, and also president of Buckeye Union Fire, Buckeye Union Casualty, and Ohio State Life, arranged the program.

The Boystown choir from Mexico presented a concert between games of the double header between Columbus and Rochester, and 22 insurance company presidents were introduced to the crowd.

August Pryatel, new superintendent of Ohio department, and his staff were special guests.

## Woodland Named Manager

Matson Assurance has named Herbert K. Woodland regional manager at Los Angeles with offices at 533 West Sixth Street.

Mr. Woodland had previously been regional group manager at Los Angeles for Continental Casualty, district manager in southern California for Zurich and vice-president of Ray Rosendahl Co. at Los Angeles. He is a past president of Group Managers Assn. of Los Angeles.

## A&H Model Bill to Be Law in 41 Jurisdictions; Policy Form Chart Out

At the close of the 1955 legislative season, the uniform individual A&H policy provisions law model bill will be law in 39 states, Hawaii and District of Columbia, according to the policy form chart published by H&A Underwriters Conference and compiled by F. Joseph O'Regan, conference counsel.

The chart, covers major points for

drafting A&H policies; outlines dates when insurance departments will require new policies to conform with the law; contains information about number of copies of policy forms required for filing by particular departments, whether home state approval is needed prior to foreign jurisdiction approval, and notes on deviations of certain state laws from the model bill of National Assn. of Insurance Commissioners.

The chart indicates all jurisdictions except Minnesota and Missouri will approve A&H policies containing the

new provisions. The time limit for change-over to the new law varies from one to five years. By July 1, 1956, the new uniform policy provisions law will be mandatory in 20 jurisdictions.

## Sells Seattle Home Office

Farmers New World Life of Seattle has sold its home office building there to a corporation headed by M. F. Backus. The company expects to announce plans soon for construction of a new home office.

# Mr. AGENCY BUILDER:

## Find YOUR place in the sun— THE GOLDEN TRIANGLE WAY!

**It's New!  
It's Simple!  
It's Dynamic!**

**YOUR GOLDEN OPPORTUNITY**

**with the  
GOLDEN RULE COMPANY**

**BRIGHTEN your TOMORROW  
by WRITING TODAY**

**PLUS \$**

**Non-contributory Pension Plan**  
—Liberal Disability and Retirement Benefits—  
up to \$400 per month. Renewal Income guaranteed for Life—plus continuation of active Agency Contract if desired.

**PLUS \$**

**Golden Rule Agent's Contract**  
—attracts strong men—holds your better men  
—each agent you appoint becomes an agency builder for himself and a recruiter for you.

**PLUS \$**

**Money-Making Sales Packages**  
Business Building Direct Mail and Many Other Agency Building Helps

**PLUS \$**

**Home Office Field-Help in Recruiting, Training and Building YOUR AGENCY**

**AGENCY BUILDING OPPORTUNITIES IN:**  
Arizona, California, Delaware, Florida, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Texas, Virginia, Washington D. C., and West Virginia.

## The COLUMBUS MUTUAL Life Insurance Company

Carl Mitcheltree, President

Columbus 16, Ohio

Ben F. Hadley, Vice-Pres. & Supt. of Agents

## Social Security Chief Cites Need to Survey Employee Benefit Plans

WASHINGTON—Social security administration believes there is need for a comprehensive survey of employee benefit plans to obtain a better understanding of the extent and characteristics of private plans and their relationships to government social security programs.

This statement was made by Charles I. Schottland, commissioner of social security in the department of health, education and welfare, to the Senate subcommittee on welfare and pension plans investigating health and welfare funds.

Mr. Schottland said the object of such a survey would be to obtain a complete picture of the private plans and establish data to which later

The Senate has issued a contempt citation against Eugene C. James, former secretary and treasurer of Laundry Workers International Union. He was charged with refusing to answer questions put to him by Sen. Douglas' subcommittee investigating health and welfare funds.

studies can be related and future projections made. It could cover pensions for age and disability, death benefits, loss of income due to sickness, hospitalization and medical care. It could include plans written by commercial insurers or non-profit groups, administered by employers, unions, trustees or joint management-labor groups. No final decision has been made on the feasibility, scope or timing of such a survey, he said. The cost must be considered carefully.

Social security administration is completing reports on various phases of voluntary group insurance and pension arrangements. A continuing study has been made of group annuity plans, particularly how they are related to OASI, and a report will be issued soon on revisions made in group annuities following the 1950 amendments to the social security act.

Mr. Schottland said there are many gaps in the information available in this field, much of the data being frag-

mentary, non-comparable and limited by the particular interests and resources of various government and private agencies which have made studies of the health, welfare and pension plans. For instance, he said, there is more information available on insured pension plans than on other types of pension arrangements. Social security administration estimated the reserves accumulated under private retirement programs, excluding deferred profit sharing plans, are \$20 billion, with 13 million workers covered. The 1954 contributions under these plans were \$3 billion. However, the administration does not know how these figures are divided between union-administered plans, joint employer-union plans, and employer-administered plans. Limitations of available data have precluded the preparation of such breakdowns, although his agency has tried to develop them on several occasions, Mr. Schottland explained.

Social security administration studies of voluntary sickness insurance, showing the trend since 1948, resulted in the estimate that premiums for voluntary hospitalization and medical insurance in 1953 totaled \$2.4 billion. But the administration does not know how much of this was paid by employers and how much by employees, he said.

## Deaths Seen at New Low

Life insurance policyholders have had an excellent health record so far in 1955. The possibility of a new low death rate is indicated by the experience in the first half of the year, according to Institute of Life Insurance.

The death rate among policyholders has been running lower this year than last year, when the final rate for the year was only fractionally above the record low.

## Show Six-Month Increase

New business of Bankers Life of Iowa for the first six months totaled \$112,585,319, an increase of more than \$2 million over the same period last year. Ordinary accounted for \$74,615,389 and group for \$37,969,930.

Production for June—president's month—amounted to \$19,181,862, of which \$13,075,119 was ordinary. June business was up \$700,000.



Carl Mitcheltree, president of Columbus Mutual Life, (right) is shown receiving a replica of the home office, representing \$401,711,947 of life insurance in force, from Joseph F. Dwyer, Toledo. A campaign in June put the company over \$400 million mark. Mr. Dwyer, whose agency led in sales with \$655,727, made the presentation in behalf of all agents. The small replica in Mr. Mitcheltree's left hand represents the \$10,209,246 the company had in force when he joined it in 1917. The replica on the floor stands for the \$250 million in force in 1950 when Mr. Mitcheltree became president.

## National Life of Vt. Honors Top Producers

The 15 top producing agents of National Life of Vermont have been appointed to the 1955 Agents Executive Council. Philip Goldberg, New York City, automatically was named president because he was the leading producer.

Reginald S. Koehler Jr., Pittsburgh, and Karl H. Schmidt, Cleveland, are vice-president and secretary, respectively. Other council members, in order of production, are Robert C. Brand, New Canaan, Conn.; E. Price Ripley, Virginia; Francis T. Fenn Jr., Hartford; Warren S. Griffin, Atlanta; Neil C. Croonquist, Minneapolis; L. B. Wood Jr., Atlanta; Paul J. Maloney, Buffalo; Richard N. Craig, Kansas City; Merrill W. MacNamee, Chicago; Keith W. Loring, Atlanta; Warren H. Bearden Jr., Atlanta; and Alfred Ziff, Cleveland.

Mr. Ripley, Mr. Fenn and Mr. Croonquist have qualified for the council every year since it was formed eight years ago.

## Wylie Given A&H Post By Royal-Liverpool

A&H production facilities at Royal-Liverpool group's Philadelphia office have been increased with the appointment of Howard E. Wylie Jr. as A&H special representative. He will devote his time to assisting the group's agents in developing this line of business.

Mr. Wylie entered insurance with Penn Mutual Life and was with North America before joining Royal-Liverpool.

## Meyer Joins Poulsen

Richard R. Meyer has been named administrative assistant of Poulsen Ins. Co. of Chicago. He has been regional manager and assistant secretary of Reserve Life of Dallas at Cincinnati.

## Monumental Life 20% Stock Split

Monumental Life has authorized a 20% split of its stock, effective Aug. 19 to stockholders of record July 29. The regular quarterly dividend of 35 cents will be paid Aug. 5 to stockholders of record July 29.

## Columbus Mutual Life Insurance in Force Reaches \$401,711,947

Life insurance in force of Columbus Mutual Life passed the \$400 million mark in June when a campaign in honor of President Carl Mitcheltree resulted in sales of \$7,487,783 for the largest month in the company's 47-year history.

Joseph F. Dwyer, whose agency in Toledo led all others with sales of \$665,727, presented a replica of the home office to Mr. Mitcheltree in behalf of all agents. The replica represented \$401,711,947 of life in force. Agencies which sold \$400,000 or more in June and their qualifiers were guests of Mr. Mitcheltree at banquets. The president awarded production prizes to agents and their wives.

Top personal producer was George W. Gray, Detroit, who sold \$312,500.

## Life of Georgia Makes Changes in Districts

Life of Georgia has promoted Bryan Leedy to district manager at Jackson, Tenn., to succeed C. Wyson Cox, who has been named manager of an enlarged district at Florence, S. C.

Mr. Leedy, who joined the company at Ashland in 1947 and served as staff manager, last year was assigned to the home office training department to give field instruction.

P. B. Whittington, who was manager at Florence, has been appointed field supervisor for the district, which was almost doubled by absorbing the Marion, S. C., district. W. F. Coates, manager at Marion, was named to the home office agency inspection department as inspection supervisor for South Carolina with headquarters in Columbia.

## Reginato Named General Agent at San Francisco

Washington National has named John A. Reginato general agent at San Francisco with offices in the Monadnock Building.

Mr. Reginato entered insurance as an agent for West Coast Life, was later promoted to manager at Richmond and in 1952 was named manager at Oakland.

## A&H Bills Signed in Ohio

COLUMBUS—Gov. Lausche of Ohio has signed a bill giving the superintendent of insurance the right to revoke the license of accident and health insurance companies which publish misleading information regarding accident and health benefits.

The governor also has signed a bill extending to A&H companies a prohibition against paying commissions to non-Ohio licensed agents.

## Boston Mutual Managers

Boston Mutual Life has appointed Ernest T. Cabral Jr. and Robert W. Krovitz managers at Providence and Taunton, Mass., respectively.

Mr. Cabral, manager at Taunton for two years succeeds Henry L. Horan who died recently. Mr. Cabral served for 16 years in Fall River.

Mr. Krovitz joined the company in Providence in 1934 and has been staff manager since 1938.

## GUARANTEE FUTURE PROTECTION

With life insurance, carefully planned for your individual family needs by the Praetorians . . . experienced in protective benefits for over 55 years.

SINCE 1898

**THE PRAETORIANS**

*Life Insurance*

DALLAS, TEXAS

LONG TERM BANK LOANS  
ARRANGED ON VESTED  
RENEWAL CONTRACTS



LIFE AGENTS  
GENERAL AGENTS  
AND BROKERS

U. C. & G. C. serves the financial needs of those engaged in the Life Insurance Business. Your tax problems may be simplified and savings effected. Correspondence invited.

**UNDERWRITERS CREDIT & GUARANTY CORPORATION**

340 Pine Street, San Francisco 4, California  
Southern California & Arizona Branch Office  
9935 Santa Monica Blvd., Beverly Hills, Calif.

**Renewal Commission  
LOANS**

**LIFE UNDERWRITERS  
CREDIT CORPORATION**

Northwestern Bank Building  
Minneapolis 2, Minnesota



## Life Insurance

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## Eteson to Retire from State Mutual; Miller Named New Controller

Controller James H. Eteson will retire from State Mutual Life on Sept. 1 after 33 years of service. He will be succeeded by Robert A. Miller.

Mr. Eteson, who joined the company in 1922, became auditor in 1943 and



Robert A. Miller



James H. Eteson

controller in 1947. He is past president of Boston Control of Controllers Institute of America, member of Controllership Foundation's national executive committee and a former trustee, former member of the cost committee on reports and accounts of Insurance Accounting & Statistical Assn. and member of American Accounting Assn.

Mr. Miller, a CPA, joined the company last year as director of field office administration and then was promoted to associate controller.

## Aetna Life Concludes Annual Conferences

Aetna Life's four-meeting series of annual conferences for its Corps of Regionnaires ended with a four-day session at White Sulphur Springs, W. Va.

Harry G. Feldman, Pittsburgh, H. G. Robbins, Philadelphia, and Freeman N. Stricklin Sr., Washington, were honored for qualifying for the corps every year in its 27-year history. The Regionnaires were welcomed by Insurance Commissioner Gillooly of West Virginia.

Principal speaker was Vice-president Robert B. Coolidge who said Aetna Life will continue to emphasize the estate control plan as its major sales instrument. L. Kent Babcock Jr., general agent at Philadelphia, was moderator of a panel on programming. Panelists were Mr. Robbins, W. P. Feckler, E. G. Braun Jr. and W. E. Renner, all of the Philadelphia agency.

Other speakers were William P. Budner, Dallas; John K. Luther, assistant superintendent of agencies, who presided at a panel consisting of Arwood Henderson, director of agencies, Donald S. Connell, assistant superintendent of agencies, and J. H. Warner, life advertising manager; Assistant Counsel Raymond K. Adams; William M. Boyd, Seattle; J. E. Holt, general agent at Houston; and W. Ray Hutch, general agent at Buffalo.

## Gurd Takes Equitable Medical Research Post

Frank R. N. Gurd has been appointed assistant director of medical research in the medical department of Equitable Society.

Mr. Gurd, who holds a PhD, has been assistant professor of chemistry at Harvard and held fellowships in the Guggenheim and Helen Hay Whitney foundations. He will direct Equitable's chemical laboratory, developing new laboratory procedures and carrying on research with Dr. Harry E.

Ungerleider, director of medical research, and Dr. Richard S. Gubner, associate director.

The research projects will be done in conjunction with laboratories at Cornell University medical college and the laboratory of physical chemistry of Harvard medical school. In connection with the new relationship between Equitable Society and Cornell, Mr. Gurd has been named assistant professor of clinical biochemistry at Cornell.

## John Hancock Orders Electronic Computer

John Hancock has ordered a Univac digital computer from Remington Rand division of Sperry Rand Corp., with delivery scheduled for early next year.

President Paul F. Clark said the order was another step in the application of electronics to work involving large amounts of routine and repetitive operations. Initial application of the computer will be the premium accounting and billing operation which involves more than five million premium notices a year. Once this job has been assimilated, the machine will be used for other applications.

The company expects the computer to reduce costs of operation and cause more efficient handling of large amounts of paper work.

The decision to install a Univac followed months of study, Mr. Clark said. Rapid growth, new policies and coverages have increased the clerical work load in recent years.

There is no need for employees to worry about losing jobs due to installation of the electronic computing equipment, the president said. The company anticipates savings in clerical costs because it will not be necessary to hire so many new employees to replace those who normally leave each year. Although some may be doing different jobs due to the electronic systems, their work will be at no less compensation and, for many, will be at the same or higher job levels, he explained.

## Protective Life Breaks Sales Records in June

Protective Life broke records for the greatest single day of production, the greatest week, and the greatest month in written and paid business during the president's month campaign in June.

The campaign culminated the convention qualification period, and the volume of production will result in attendance of 125 persons at the expense paid parley in Denver the week of July 24th.

Highlight of the convention will be the Protective Club banquet honoring the person qualifying for its highest honor club. Lloyd Johnson, general agent at Florence, Ala., will be installed as president of Protective club, highest production honor of the company. Other officers are Charles E. McNeil, Mobile, vice-president, and T. A. Bone, general agent at Raleigh, secretary.

## Indianapolis Life Names C. F. Brewer Treasurer

Charles F. Brewer has been named treasurer of Indianapolis Life to succeed Paul E. Fisher, who is retiring next month. Mr. Brewer will continue as manager of the mortgage loan department, which he joined in 1935 as counsel, after three years of private law practice.

Wilson Mothershead, executive vice-president of Indiana National Bank of Indianapolis, has been elected as director to fill Mr. Fisher's unexpired term.



## Family Counselor...

The Life Underwriter helps in the making of plans for the welfare and security of the family.

Fidelity is proud of its life underwriters and family counselors and of the great job they are doing in the field.

## The FIDELITY MUTUAL LIFE INSURANCE COMPANY

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Life  
A & H  
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Franchise  
Hospitalization  
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life insurance in force exceeds

**\$775,000,000.00**

PLUS: One of the most advanced agents training programs in the nation . . . Supervised offices . . . Trained Group men to assist agents . . . An alert Underwriting and home office staff . . . Top commissions.

## REPUBLIC NATIONAL LIFE INSURANCE COMPANY

Theo. P. Beasley, President

Home Office, Dallas

## Average Policy Size \$7,910 for Ordinary Agents, Says LIAMA

In a study of more than 4,300 sales of ordinary life, LIAMA found that the average size policy sold by ordinary agents was \$7,910, as opposed to the average size of \$3,370 sold by combination agents.

The sales considered in this study are a representative sample of all ordinary life sales during October, November and December, 1954. LIAMA said this is the first of a series of quarterly reports and that it plans to call particular attention to possible significant trends in the buying habits of the American public.

Almost half of the ordinary agents' sales to male adults were for amounts of \$10,000 or more while just under a quarter of the combination agents' sales were for this large an amount. Ordinary agents sold continuous payment whole life policies to male adults more frequently than any other type of policy, while combination agents sold more policies combining permanent and term protection.

Policies sold to male adults by ordinary agents show that 61% pay on an annual or quarterly basis, while 61% of those sold by combination agents pay on a monthly or quarterly basis. Because the policies in the sample are for larger amounts than those in LIAMA'S 1949 buyer study, the premium payments made for them are larger, too.

As this is the first buyer study in which information has been available on preferred risk policies they will be studied carefully as more quarterly data is collected. The preferred risk policies represent a small proportion of policies sold by both kinds of agents

but they are, of course, written for larger amounts.

The tendency seems to be to pay cash with the application more often and in larger amounts than was the case in 1949. The largest size policies sold by ordinary agents are to men 55 years and older and to women 40 and older, while combination agents sell the largest policies to men between 30 and 34 and to women between 25 and 29.

The change since 1949 in the buyers' incomes is most pronounced in the decrease of buyers with incomes of less than \$3,000 and the increase in the proportion of male buyers with incomes of \$5,000 and over. This is true of sales by both ordinary and combination agents.

## Berkshire Names Burke G. A. at Des Moines

Berkshire Life has appointed Francis W. Burke general agent at Des Moines. He has been superintendent of agencies of National Travelers of Des Moines.



F. W. Burke

Mr. Burke entered the business in 1937 with the ordinary department of John Hancock. He was named state supervisor of Northern Life & Casualty at Des Moines in 1948. He is past president of Des Moines and Iowa A&H associations.

## Monumental Life Promotes Sahley

Monumental Life has promoted Louis A. Sahley, staff manager in Cleveland since 1946, to manager of Philadelphia No. 1 district. He joined the company in 1938 at Cleveland and attended the home office training program last year.

## Mahoney Renamed Me. Commissioner

Commissioner Mahoney of Maine has been nominated by Gov. Muskie for reappointment. The nomination is expected to be approved by the governor's executive council.

Mr. Mahoney's initial four year term expired June 27 and there was some speculation that Gov. Muskie, a Democrat, wouldn't reappoint him as Mr. Mahoney, a former Ellsworth local agent, is a Republican.

Mr. Mahoney is well liked in the business and his reappointment was strongly urged by insurance interests.

## General American Makes Home Office Changes

General American Life has named A. William Evans personnel manager and appointed Mrs. Carol R. Scott to succeed him as advertising and publicity manager.

Mr. Evans joined General American in 1940 as a sales trainee, was named manager of group sales administration in 1953 and advertising and publicity manager in 1954.

Mrs. Scott, formerly editor of the company's field publication, joined General American after doing public relations for Washington University and the St. Louis Girl Scouts.

## Record Class of 2,836 Completes LUTC Course

Life Underwriter Training Council's two-year course was successfully completed this year by 2,836 agents, the largest number in LUTC history, bringing the total number of graduates to 8,550.

An additional 6,084 agents have successfully completed the first year of the course, thus qualifying for the second year which will be offered in the fall. To be a graduate, an agent must complete both years of the course. All graduates are entitled to certificates which will be mailed soon to course committee chairmen from headquarters.

## L. & C. Enters Md.

Life & Casualty of Tennessee will enter Maryland, bringing to 15 the number of states plus District of Columbia in which the company is licensed.

A district office will be established in Baltimore. The area adjacent to Washington will be developed through two existing offices in District of Columbia. Maryland will be in the north central division.

The company entered California early this year and set up two districts in greater Los Angeles. Texas was entered in 1953 and 15 offices have been opened there.

## Open N. J. Group Office

State Mutual Life has opened a new group office in Newark to serve the northern New Jersey area and has placed William W. Mauke in charge. Mr. Mauke has been in the New York office.

Charles E. Lapp Jr. has joined the Minneapolis office.

## Richmond Managers Elect

Richmond Life Agency Managers Assn. has elected Meade J. McMillen, Mutual Benefit Life, president, succeeding W. Birch Douglas, State Mutual Life.

F. Duval Shepherd, Union Central Life, was elected vice-president and Douglas W. Dodd, Life of Virginia, secretary.

## Show N.W. National Ind. Results

Northwestern National Life inadvertently was omitted from the exhibit in the May 6 issue showing the new business written by life companies in

Indiana in 1954, as well as the amount of insurance in force at year end. Northwestern National had new ordinary business of \$1,713,054, and new group of \$2,130,139, bringing the respective insurance in force figures to \$20,703,950 and \$3,840,639.

## Pa. Moves Group Life Bill for Employers

A bill permitting issuance of group life policies to associations of employers has been passed by Pennsylvania senate and sent to Gov. Leader. It previously was passed by the house.

The bill would amend the group life law to allow issuance of policies to trustees of funds established by associations of employers. It would apply to business men's groups, manufacturers' organizations and other associations. The existing law has limited issuance of group life policies to associations of employers engaged in the same types of businesses.

## Schafer, Wood Join New England Mutual

New England Mutual Life has appointed George Schafer advertising assistant in the information services department and Alden S. Wood assistant editor of *The Pilot's Log*, the company field publication.

Mr. Schafer has been a copywriter in a Boston advertising agency since 1953. Mr. Wood, who joined the company this year, is a free lance writer.

## B.M.A. Holds Second Meet for All Stars in Mich.

Business Men's Assurance held its second all star convention at Mackinac Island, Mich., with more than 320 agents and their wives attending.

Speakers included J. C. Higdon, president; H. G. Horn, manager at Portland; Vice-presidents, J. W. Saylor and W. D. Grant and R. L. McMillon of Abilene Tex.

## Smith Named Sales Head of Ia. Farm Bureau Insurers

Wayne C. Smith has been appointed sales director for Iowa Farm Bureau Companies—Iowa Life, Iowa Farm Mutual and Iowa Mutual Hail. He succeeds Claire Gsell, who has become agency vice-president of Central standard Life of Chicago. Mr. Smith has been with the farm bureau companies for 6½ years, for the last two as assistant sales director.

## Fuller Takes Brokerage Post

Frederick V. Fuller has been named brokerage manager of Rudolph D. Longmire agency of Manhattan Life in Pasadena, Cal.

Mr. Fuller joined Sun Life of Canada at Montreal in 1930, later going to the Toronto group office. He was named administrative supervisor of Zurich's west coast group department in Los Angeles in 1951.

## Health and Pension Plan Seminar

New York state school of industrial and labor relations, Cornell University, held a week-long seminar on health, welfare and pension plans. Among the speakers was Stephen O'Neill, consultant, Marsh & McLennan, who led discussions on problems in group life, group A&H, hospitalization and medical care insured plans. Blue Cross, Blue Shield and catastrophe plans.

## Columbus CLUs Elect Lichtenberg

The following officers were elected at a recent meeting of the Columbus CLU chapter: President, Fritz Lichtenberg, Massachusetts Mutual Life; Winfield Polk, John Hancock, vice-president, and Norman Sleight, State Farm Life, secretary-treasurer.

## 48th Year of Friendly Dependable Service

Peoples Life proudly salutes its  
Agency Force for Outstanding Success  
in presenting to the public  
Financial Independence and Life  
Time Security via Life Insurance



PEOPLES LIFE INSURANCE COMPANY

"The Friendly Company"  
Frankfort • Indiana

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Attractive Agency Contracts

COMPLETE LIFE INSURANCE

COVERAGES—Ages 0-60

ALSO ACCIDENT, HEALTH,  
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For Particulars Write Home Office

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## American National to Install Complete Electronic System

American National has completed all methods and procedures necessary for applying electronic automation to its operations. The company has ordered a 705 electronic data processing system from International Business Machines Corp. and expects installation to be completed within two years. IBM said the contract for the 705 is the first completed with a southern or western life company for its newest and largest electronic system.

The 705 can accept information from reels of magnetic tape and record it at the rate of 15,000 letters or numbers per second, add or subtract 5-digit numbers in 120 millionths of a second and divide a 6-digit number by a 5-digit number in less than two thousandths of a second. The machine has its own control for checking the accuracy of its operations.

American National plans to use the electronic system to speed up service to policyholders and agents and to assist home office personnel in handling the mass details of data processing, calculation and auditing.

## Adds to Term Coverages

Expanding its line of term coverages to offer protection of a temporary and decreasing nature at minimum cost, American United Life has added income protector and mortgage protection policies.

The income protector is designed to provide a specified monthly income

from the date of death to the date of expiry. The protection period may be any number of years from 10 to 50. Minimum policy size is \$50 monthly income and \$50 annual premium.

The mortgage protection policy provides insurance protection to cover the decreasing outstanding balance of the usual 4 to 6% mortgage loan. Five plans are offered—10, 15, 20 and 25 and 30 year plans with level premiums for 8, 13, 18, 23 and 28 years respectively. Minimum policy size is \$5,000.

Both policies are issued at ages 20 through 60. Conversion to permanent life or endowment may be made up to five years before the date of expiry.

A new mortgage redemption rider also is being offered. It may be added to any life or endowment form and provides additional insurance decreasing monthly from the date issued to the end of the selected term period. Available term periods are 10, 15 and 20 years and to age 65. The insurance is payable in one sum at death or may be applied under any of the company's regular settlement options.

## Catherine Cleary Named to N.W. Mutual Trustee Board

For the first time in its 98 years, a woman will sit on the board of trustees of Northwestern Mutual Life.



C. B. Cleary

Cleary of Milwaukee met with the board of trustees at its quarterly meeting July 27. Miss Cleary, who last year was named a vice-president of First Wisconsin Trust Co., is a former assistant treasurer of the U.S. and former assistant to the Secretary of the Treasury. After one year in the legal department of a manufacturing firm and three years in a Chicago law firm, Miss Cleary joined First Wisconsin Trust Co. in 1947. She is a former president of National Assn. of Bank Women.

Her father, the late Michael J. Cleary, was president of Northwestern Mutual from 1932 to 1947 and had been with the company since 1919.

## \$34 Million in Claims

Of the 97,491 claims of all types presented to General American Life in 1954, only two representing .002% resulted in litigation.

The company paid out in claims last year 64.2% of its total income, \$34,711,697, representing an increase of \$2,648,494 over 1953 and almost 2½ times as much as was paid out 10 years ago.

Included in the 1954 claims were payments of \$108,905 in disability income, and waived premiums totaling \$59,347.

## Kearns to U. S. Life

Raymond T. Kearns has been appointed accounts executive of the Mort E. Shaff agency of U. S. Life in Mt. Vernon, N. Y. He will supervise brokerage operations, recruiting and training.

Mr. Kearns entered the business in 1950 with Phoenix Mutual Life in New York City and has been with Continental Assurance since last year.

## Chicago Selection Men Meet

Chicago Home Office Life Underwriters Assn. heard Peter Hondorp, director of retirement special plans division of Continental Casualty, discuss "Available Deals" at its July meeting.

Mr. Hondorp spoke briefly on some of the group and special plans which his company writes.

The association will hold its golf outing at St. Andrews, Aug. 19.

## N. Y. Life Promotes Braddock to 2nd V-P; Names Bissell, Donath

New York Life has promoted James H. Braddock to 2nd vice-president and appointed Robert C. Bissell and Ernest H. Donath assistant vice-presidents.

Mr. Braddock, who joined the actuarial department in 1935, has been transferred to the group department where he will assume general administrative duties. He was made an assistant actuary in 1945, associate actuary in 1949 and actuary in 1950. He is a fellow of Society of Actuaries.

Mr. Bissell, who joined New York Life in 1930, became an administrative assistant in 1948 and executive assistant in 1954. He will continue the work he has been doing since 1948 in policy settlements and service, assisting 2nd Vice-president David Clair.

Mr. Donath, who joined the company 40 years ago, has been chairman of the forms committee and member of the job evaluation and suggestions committees. He will assist 2nd Vice-president Edward B. Williams.

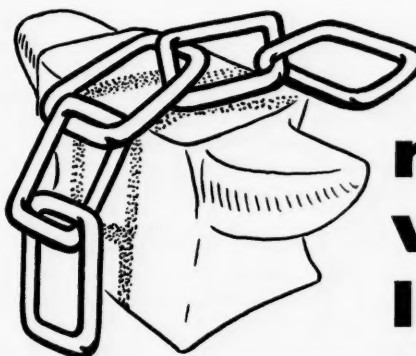
## Sales Meet, Home Office Dedication to Highlight Minn. Mutual's 75th Year

Minnesota Mutual Life will hold its national sales convention at St. Paul Aug. 3, in conjunction with its 75th anniversary celebration and dedication of its new home office building.

The four-day convention is the first on a national scale for the sales force since 1950. In other years, they have been conducted on a regional basis.

Dedication ceremonies will climax the convention on Saturday and will include a tour of the building, luncheon, a company reception, special performance of the St. Paul Pops Orchestra and a "Minnesota Mutual Ballet," created for the occasion by the St. Paul figure skating club.

Gov. Hodges of North Carolina has appointed President Howard Holder-ness of Jefferson Standard Life to a special nine-man commission to study the state revenue code with the idea of modernizing and wiping out inconsistencies in the tax laws.



**no weak links**

As you know, a "chain is as strong as . . ." and American United Life's sound growth is due to its *all around* alert attitude! Salesminded, progressive and competitive in every department; actuarial, underwriting, policy service and issue, investment, claims and accounting . . . financially sound and stable . . . managed by practical life insurance men . . . there you have the makings of success in a big way.

Pioneers in "rated" business; important in the field of reinsurance; respected for its character and integrity; represented by men of high caliber; it is small wonder that American United Life is "going to town" by concentrating on business that makes money for its policyholders, its representatives and the company.



**AMERICAN UNITED LIFE INSURANCE COMPANY**

INDIANAPOLIS, INDIANA

Assets over \$118 million, insurance in force over \$600 million



**What's In It For YOU?**

**ANS: A General Agency with a LIVE Company . . . and a BIGGER SHARE of the Premiums under our**

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We have an exceptionally fine portfolio of standard and special life policies, plus surgical benefit and hospitalization coverages.

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## EDITORIAL COMMENT

### FTC Twists the Knife Again

The issuance last week of federal trade commission complaints against the A&H advertising of three more insurers was hitting below the belt. In cooperation with insurance commissioners, certain quarters of the industry presently are attempting to arrange a joint meeting, at which FTC would be a party, to discuss the entire matter of A&H advertising.

Certainly further citations could have been postponed until it becomes apparent such a conference might not occur. It was only last month the proposal was put forth formally, not long enough ago for the FTC to conclude there will not be general acceptance of the idea. The suggestion that the commissioners, industry representatives and FTC get together to work out differences over the entire A&H matter was made by Pansing of Nebraska at the June meeting of NAIC, where it was formally adopted. It's not a new idea. Members of the federal trade commission have advocated a trade practices conference, perhaps not exactly what the Pansing Plan seems to be but something not entirely unrelated. At least one FTC member characterized such a confab as almost a certain and definitely the most direct route to a solution of the

entire A&H matter.

Making the latest complaints even more surprising is the fact that all three cited companies belong to H&A Underwriters Conference, all of whose members have subscribed to the A&H advertising code the organization adopted a little over a year ago. The conference code is not hypocritical. Every circular, every brochure, every piece of advertising and all radio scripts were reviewed by the conference's business practices committee, and advertising not in compliance with the code had to be junked if the company were to continue as a member. That the conference code sets up adequate standards seems apparent as a result of adoption of almost duplicate regulations a few months ago by the Georgia department.

The obvious conclusion is that the three cited companies—all of which have agreed to the conference code—now are advertising in a manner that in no way could be offensive to FTC.

Does the new batch of A&H citations indicate a switch in tactics on the part of FTC? The latest action would seem to indicate FTC has less faith in chances of finding a solution by talking the matter over with the insurance commissioners and industry people.

### Are Commission Curbs Good or Bad?

A well known life company executive has written us taking issue with the editorial, "Chance to Ease New York's Curbs," which appeared in the July 15 issue. He makes his comments in a personal letter to the editor, so we are not identifying him, but his anonymity is due to no fear of standing up and being counted when he feels the occasion warrants it.

"I suppose there is some basis for the belief expressed in this editorial that competition would hold commissions down," he writes. "Today seven of the 30 largest companies in America writing 'specials' do so at commission levels below the New York maximum. To make their prices competitive, they have reduced commissions. This tends to support the argument advanced in the editorial.

"The pre-Armstrong experience proved that competition increases commissions rather than reduces them. If you will look into the company piracy of top-flight producers today, you will find that it is being accomplished by fancy price arrangements. To that extent the pre-Armstrong experience

still holds true."

This executive goes on to say that attempting to hold down the cost of life insurance is a thankless job and that "kicking in the teeth" of the New York legislature and New York department has always been a popular pastime but that if a bill were ever introduced in New York to abolish all acquisition cost ceilings the companies most critical of the expense curbs would be the first to oppose their removal.

"For years, companies outside of New York have been cashing in on the New York ceilings," he points out. "The ceilings have furnished a protection to them, too. I am probably an exception, but I feel that editorials like this one play into the hands of those who have but a single purpose, namely, to increase the cost of life insurance. The unions will latch on to editorials like this one—and so will the agents' associations—and in the long run the public will pay through the nose.

"The above is a personal viewpoint. It is not for quotation. It represents a

conviction on my part that THE NATIONAL UNDERWRITER is passing up an opportunity to be constructive. And I will lay a bet that for every one who thinks the way I do, there are 10 who will agree with you."

Those are cogent arguments. But suppose, for a moment, that there had never been any acquisition cost controls on life insurance: We find that some companies are operating in a discriminating, cost-conscious market and hence are holding down costs and commissions so as to sell more. At the other extreme are a few companies paying high commissions to get business from hard-to-motivate, indifferent, small-time buyers. But even the high-cost companies have to exercise restraint or find themselves priced out of the market.

Then some crusading do-gooder comes along with a plan to put a curb on life insurance commissions and other items of sales cost so as to hold costs down to what he thinks they should be and thereby enable people to buy life insurance more cheaply than some of them do now. Remember, there've been no scandals, no champagne parties for chorus cuties, no more reason to complain about commission levels in life insurance than in the automobile, television, or refrigerator industries.

So the chairman of the New York joint legislative committee on insurance rates and regulation, at a public hearing, asks Mr. Do-Gooder why he thinks ceilings should be imposed.

"Well, it would force the high-commission companies to pay smaller commissions and they could charge lower rates," says Mr. D-G.

"Are people complaining about high life insurance rates?"

"No."

"If they should think these high-rate companies were overcharging they could always buy from the low-cost companies instead, couldn't they?"

"Yes, but usually they don't know that this low-cost insurance is available."

"Why don't they?"

"Because the agents of the companies that pay the lower commission rates don't find it profitable to call on the class of buyer that buys from the high-cost company."

"In other words, if we cut the commissions of the high-commission companies, then not very many agents would call on that type of buyer, is that right?"

"Yes."

"And if nobody called on these people they wouldn't be likely to go out and buy insurance of their own accord, would they?"

"Well . . . not many, certainly."

"So by putting a limit on commissions we would in effect be keeping agents from trying to sell a class of people who need life insurance a lot worse than the well-heeled folks who are attractive prospects for the agent of the low-commission, low-cost company?"

"Yes, but . . ."

"Did you ever hear of a widow complaining that her husband paid too high a rate for his life insurance? Have you ever heard a widow say she was glad her husband didn't leave more life insurance because it would have cost so much? Isn't the important thing in all this for the greatest possible number of people to carry adequate life insurance? Some of them might have to go without power steering on their cars to take care of the higher cost due to higher commissions. Mightn't that be less of a tragedy than a widowed mother's having to hold a job while raising a family, because it wasn't worth an agent's while to call on her husband? If your proposal to limit commissions is right, then the proper course is to eliminate all acquisition cost, because that would cut insurance costs to the very minimum. But as long as there's no sales cost limit on automobiles, or television sets, or refrigerators, I can't see the sense of putting a sales cost limit on something so essential as life insurance, when it would mean keeping agents away from a lot of people who need life insurance worse than anybody."

Coming back from fantasy to fact, the fact is that the life insurance business has lived so long with the New York insurance law's limitations that they have come to be accepted as necessary—like sweltering through a New York City summer wearing the jacket of one's suit instead of tossing it away as they do in more sensible communities.

Half a century ago some bad boys in the life insurance business got out of line. Not that it excuses them, but that sort of thing was much more typical of business generally than it is today. When a town gets out of control, the authorities put it under martial law. But after things have simmered down, martial law is removed. Half a century ago the life insurance business was put under martial law. It still is under martial law. It's probably true that many companies have become so accustomed to their shackles that they'd feel strange without them. But that doesn't mean that these shackles are right, necessary, or decent for an honorable business like life insurance.

Prudential has named **Evan E. Vogds** division manager of a new office at Wausau, Wis.

#### THE NATIONAL UNDERWRITER

—Life Insurance Edition  
—Editorial Office:  
99 John St., New York 38, N. Y.  
Executive Editor: Robert B. Mitchell.  
Assistant Editors: Edward F. Cox, John B. Lawrence, Jr. and Eloise West.

ATLANTA 3, GA.—432 Hurt Bldg., Tel. Main 1634. Fred Baker, Southeastern Manager.

BOSTON 11, MASS.—207 Essex St., Rm. 421, Tel. Liberty 2-1402. Roy H. Lang, New England Manager.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2-2704. O. E. Schwartz, Chicago Mgr. R. J. Wieghaus, Resident Manager.

#### CHICAGO EDITORIAL OFFICE:

175 W. Jackson Blvd., Chicago 4, Ill.  
Telephone Wabash 2-2704.  
Associate Editors: John C. Burridge, Charles C. Clarke and William H. Faltyssek.  
Assistant Editor: Edmund J. Brophy.  
Editorial Assistant: Lorraine Ulrich.

CINCINNATI 2, OHIO—420 E. Fourth Street, Tel. Parkway 2140. Chas. F. Woods, Sales Director; George C. Roeding, Associate Manager; George E. Wohlgenuth, News Editor; Roy Rosenquist, Statistician.

DALLAS 1, TEXAS—708 Employers Insurance Bldg., Tel. Prospect 1127. Alfred E. Cadis, Southwestern Manager.

DETROIT 26, MICH.—502 Lafayette Bldg., Tel. Woodward 1-2344. A. J. Edwards, Resident Manager.

#### ADVERTISING OFFICE:

175 W. Jackson Blvd., Chicago 4, Ill.  
Telephone Wabash 2-2704.  
Advertising Manager: Raymond J. O'Brien.  
SUBSCRIPTION OFFICE:  
420 E. Fourth St., Cincinnati 2, Ohio.  
Telephone Parkway 2140.

KANSAS CITY 6, MO.—606 Columbia Bank Bldg., Tel. Victor 9157. William J. Gessing, Resident Manager.

MINNEAPOLIS 2, MINN.—1038 Northwestern Bank Bldg., Tel. Main 5417. Howard J. Meyer, Resident Manager.

NEW YORK 38, N. Y.—99 John Street, Room 1104. Tel. Beekman 3-3958. Ralph E. Richman, Vice-Pres., J. T. Curtin, Resident Manager.

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PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127. Tel. Pennypacker 5-3706. E. H. Fredrikson, Resident Manager.

SAN FRANCISCO 4, CAL.—Flatiron Bldg., 544 Market St., Tel. Ebbrook 2-3054. A. J. Wheeler, Pacific Coast Manager.





## PERSONALS

**L. Alexander Mack**, chairman of *Weekly Underwriter* and an active figure in the insurance publishing business for 50 years, and Miss May Becker were married in Upper Montclair, N. J. Miss Becker was Mr. Mack's nurse following his injuries in an automobile accident last year. After the wedding the newly married couple went on a wedding trip.

**Thomas A. Dwyer**, who has been appointed general counsel of Manhattan Life, joined the company as associate counsel in January. He served as New York state assemblyman from the 21st assembly district from 1939 to 1954 and was a member of the standing committee on insurance and secretary of the joint legislative committee on insurance rates and practices. He practiced law for 25 years in Brooklyn.



Thomas A. Dwyer

**Harry L. Seay Sr.**, 82, former president of Southland Life, suffered a heart attack after he was injured in an automobile accident near his home at Sardis, Miss.

**Hugh O. Maclellan**, vice-president and treasurer of Provident Life & Accident, has been elected chairman of Chattanooga-Hamilton County Red Cross chapter. **Robert F. Evans**, vice-president and treasurer of Volunteer State Life, was elected to the board.

**Richard D. Nelson**, vice-president and treasurer of Colonial Life, made the closing address at the third annual New Jersey workshop on economic education held at Rutgers University.

**J. Hiles Templin**, manager for Great-West Life in Hamilton, Ontario, left July 26 for Paris and Melun, France, to head a voluntary supervisory committee at August meetings of the World Alliance of the YMCA. Long active in "Y" service in Hamilton, Mr. Templin will attend the World Boys' Camp at Melun, Aug. 12-23 as chairman of the boys' work committee of the World YMCA's. During the same period he will serve as president of the older boys' and girls' conference at the Cite Universitaire in Paris.

**Charles G. Groeschell**, comptroller of Northwestern Mutual Life, has been elected a member of Controllers Institute of America.

**S. Kendrick Guernsey**, president of Gulf Life, has been appointed by Gov. Collins to Florida board of control, which supervises operations of state-supported universities.

### Declares 10% Stock Dividend

Great Fidelity Life of Indianapolis, formed three years ago, has declared a 10% stock dividend. To take care of stockholders with fewer than 10 shares, directors lumped these holdings together and put the entire lot up for bids. City Securities Corp. was the top bidder, buying 113 shares at \$13.80 a share. City Securities sold the stock on the open market for \$14.30 per share.

## Charges 'Conspiracy' in American, Ala., Stock Sale

An amendment to a suit started in 1951 was filed in chancery court at Birmingham, Ala., alleging that control of American Life of that city passed to Troy V. Post of Houston through "fraud and coercive measures."

The suit, filed by Mrs. Nanny Hardwood, alleged that Thomas Wert, president, Mrs. E. B. Montgomery, vice-president, and others, "conspired" with Mr. Post. Mrs. Hardwood charges she was tricked into selling her 80 shares of common stock in the company to Mr. Post, for \$46 per share. At this time, she stated, other stockholders were being offered \$52 a share, and Mr. Post purchased some holdings at \$60 a share.

The charges were denied by respondents.

The original suit filed in 1951 charged that Mr. Wert, Mrs. Montgomery and M. S. Hobbs, secretary, wrongfully took \$1,250,000 from the company in "kickbacks and commissions" over a 10-year period.

Mr. Post heads two Texas life companies which deal principally in military business.

## Prudential Liberalizes Group Major Medical

Prudential has made rate reductions up to 30% and other liberalizations in its group major medical expense plans which provide protection against high costs of serious, prolonged illness and injury.

A feature of one new plan is full coverage for eligible hospital charges up to a fixed amount for each hospital confinement, without a deductible. This plan is aimed at groups desiring a major medical coverage without separate hospital-surgical plan.

Some plans provide a deductible above the benefits received under a group's basic plan. Major medical coverage will be provided for groups as small as 25 persons who work for one employer, including groups which have service-type hospitalization plans.

## Cal. Physicians' Service Reports Increased Income

Annual gross income of California Physicians Service (Blue Shield) for the year ending March 31, was \$26,762,357, the largest in the organization's history, according to the annual report.

During the same period, membership increased 10.9%.

Payments for hospital and physician services to subscribers and additions to reserves totaled \$23,685,841, including cost of treatment of veterans under the veterans' home town care program.

## Met Moves Lamplough, Williams

Walter J. Lamplough, manager of Metropolitan Life at Bangor, Me., for 10 years, has been transferred to Malden, Mass., effective Aug. 1. F. Courtney Williams has been appointed manager at Bangor.

Mr. Lamplough, with the company 30 years, is president of Maine Assn. of Life Underwriters and past president of Eastern Maine Assn. of Life Underwriters.

Mr. Williams, who has been at the home office, formerly served as agent and assistant manager at Concord, N.H., and as territorial field supervisor in New England.

## Life of Va. Opens Muncie Office

Life of Virginia has opened a new district office at Muncie, Ind., and appointed as manager Joseph A. Lewis, former field training supervisor for Indiana. Roy Vermeulen and Bernard P. Smith are associate managers.

Mr. Lewis and Mr. Smith began their careers with the company at Anderson, Ind. Mr. Vermeulen has been with the company in Terre Haute since 1946.

## DEATHS

**SAMUEL J. SMITH SR.**, general agent of Washington National Life at Jacksonville for 20 years, was drowned in Lake Johnson in an unsuccessful attempt to save the life of a woman swimmer.

**JOHN C. SULLIVAN**, 56, assistant superintendent for Prudential at St. Louis, died in St. Mary's hospital there of cancer.

**LAURENCE D. HORGAN**, 47, representative of Retail Credit Co., died at St. John's Hospital in Santa Monica after a brief illness. He was a member of the A&H Managers Club of Los Angeles.

**Connecticut General Life** has made a \$3.2 million mortgage loan to Cross Properties, Inc., on the land and building occupied under a long-term lease by John Wanamaker Westchester in Yonkers, N. Y. The company previously loaned \$1,550,000 on land and buildings occupied by Cross County Medical Center, Inc., and other stores in the 70-acre business development.

## CLU Correspondence Course at S.M.U. Enters 5th Year

The Southern Methodist University business school, Dallas, Oct. 1 will begin its fifth year of conducting correspondence courses designed as preparatory for the CLU examinations.

The school's insurance department, headed by Frank A. Young, has been the only organization offering a CLU correspondence course. All parts are handled separately.

George W. Fraas, a Korean veteran now with Prudential, recently became the 100th person to complete a CLU by correspondence course. SMU has received 1,400 inquiries from all over the English speaking world and has had 390 persons registered, many of whom are within a few lessons of completing.

## New United L.&A. Directors

Beardsley Ruml, New York economist, and Dr. Philip M. L. Forsberg have been elected directors of United L. & A. Dr. Forsberg has served as medical director for the company for several years.

Mr. Ruml, originator of the pay-as-you-go income tax system, is chairman of Robert H. Macy Co., economic adviser to Puerto Rico and a director of several large corporations.



Chartered

LIFE UNDERWRITER

study courses will soon be organized in many cities and towns. The Company recommends that its associates enroll and participate actively in such local study courses.

The Company is proud of its 51 field and home office associates who have qualified for the CLU designation, and of its many representatives now completing CLU studies. The Company has long endorsed and supported the CLU movement. It contributes to the Cooperative Fund and includes CLU studies as an integral part of its training program. It presents engraved CLU keys to graduating candidates and pays their expenses to attend conferment exercises.

KEYED FOR CAREER LIFE UNDERWRITERS



EQUITABLE LIFE  
INSURANCE COMPANY OF IOWA

FOUNDED IN 1867  
IN DES MOINES

## DITC Elects McKinnon; Expect 30 New Courses Underway by October

Leonard A. McKinnon, McKinnon & Mooney, Flint, immediate past president and current chairman of International Assn. of A&H Underwriters, was elected president of the Disability Insurance Training Council in an organizational meeting in Chicago. Roy MacDonald, H & A Underwriters Conference was named vice-president, and E. H. Magnuson, assistant vice-president Federal Life, secretary-treasurer.

C. O. Pauley, retired head of the conference, is consultant to the new organization, set up as a separate corporation to administer institutional-level A&H training courses throughout the country, based on the three-year experience of the IAAHU.

Elected to the board were Messrs. MacDonald and Magnuson; Howard Nevenon, Washington National, Los Angeles, Clifford MacDonald, International Fidelity, Dallas, president of IAAHU, and Mr. McKinnon.

It is contemplated that the board, when completed, will contain representatives of all major trade associations.

John Galloway, Provident L. & A., Birmingham, interim director, reported that with pilot course experience in Indianapolis in back of DITC, 30 new

courses are expected to be underway by the end of September. Flint, Dallas, Fort Worth, and Houston are working on courses and a second course is contemplated in Indianapolis.

DITC will operate on a 12-week basis, class meetings running two hours a week. Text material and instructors' manuals are supplied by DITC, and final examination papers are graded at DITC headquarters. All courses will be conducted by paid instructors approved by DITC. Tuition will be \$50, including the text material, grading, and certificate of completion.

### Mogul to Occidental, Cal., in Mass.

Ira E. Mogul has been named assistant manager for Occidental Life of California at Boston. Mr. Mogul for three years was an agent for Massachusetts Mutual in the Braunig agency in Boston.

### Leads State Mutual at Half-Year

The Nothhelfer-Leck agency at Chicago is the leading State Mutual Life agency for the first six months of the year, ordinary production amounting to more than \$4 million. The agency, recently moved to new offices at 309 West Jackson Boulevard, is headed by John B. Nothhelfer and Walter C. Leck.

Philip J. Tuttle was the leading producer for the agency and the company in June, sales totaling \$248,640, and leading producer for the first six months is another associate, Bruce K. Elliott, with production of nearly \$1 million.

## Three Are Promoted by Union Mutual

Union Mutual Life has promoted Robert C. Webb to assistant director of agencies, E. Roe Holmes Jr. to New England regional group manager and Robert L. Roberts to regional group manager of southern New England. John D. Curtin has rejoined the company as manager of group sales, western division, after a six-months' absence.

Mr. Webb, who was supervisor of agencies, joined the company in 1950 as home office field supervisor in Missouri and was transferred to the home office in 1953. He did graduate work in the Southern Methodist University course.

Mr. Holmes, who was group sales representative, has been on the home office staff since 1951. He entered the life business in 1948.

Mr. Roberts, with the company since 1951, went to Los Angeles in 1953 as group sales representative.

Mr. Curtin, formerly director of agencies, western division, has been executive vice-president of Roosevelt & Sargeant, Los Angeles brokers, since he left the company in January.

## Buckley New President of SMU Insurance Course

L. Mortimer Buckley, Dallas general agent for New England Mutual Life, is the new president of the institute of insurance marketing at Southern Methodist University, Dallas. He was elected at a meeting of trustees held in conjunction with the annual convention of Texas Assn. of Life Underwriters at Fort Worth.

Ford Munnerlyn, vice-president of American General Life, was named vice-president, and Clarence J. Skelton, vice-president of Republic National Life, secretary-treasurer. A. R. Jaqua continues as director of the institute with Charles E. Gaines as executive associate director.

## Republic National's June Sales Break Record

A record-breaking \$41,742,027 life production made June the greatest month in the history of Republic National Life. Ordinary life totaled \$17,285,949.

The Decatur, Ill., branch won the president's appreciation month trophy for selling the most president's protection plan packages during the month. The Wynnewood branch in Dallas led in total life production. Managers of the agencies are Edward Leonardelli, Decatur, and Elzie H. Jenkins, Wynnewood. J. G. Oltorf, general agent of San Angelo, Tex., led in individual production.

## Kansas City Life Lowers Convertible Term Rates

Kansas City Life has reduced rates on its five, 10 and 15-year convertible term policies. The reduced rates per \$1,000, with \$3,000 minimum issuing amount, are shown below.

| Annual Premium for Convertible Term Policies | 5-year | 10-year | 15-year |
|--|--------|---------|---------|
| Age 20                                       | \$5.50 | \$5.60  | \$5.75  |
| 25   | 5.75   | 5.90    | 6.05    |
| 30   | 6.05   | 6.25    | 6.50    |
| 35   | 6.70   | 7.45    | 8.50    |
| 40   | 8.25   | 9.50    | 11.05   |
| 45   | 10.95  | 13.00   | 15.40   |
| 50   | 15.50  | 18.60   | 22.20   |

## E. P. Walkley to James & Co.

Everett P. Walkley has been named administrative manager of the life, group and A&H department of Fred S. James & Co. at Chicago. John A. O'Connor, who formerly was administrative and production manager of the department, will devote all of his time to production in the future. Mr. Walkley joined John Hancock

in the group department at Boston in 1940, was named manager of the pension trust department of Hancock's Ferrel M. Bean agency at Chicago in 1951. He was also a vice-president of Ferrel M. Bean & Associates, pension planners.

## Mutual of N. Y. Six-Month Sales Rise Record 31%

Mutual of New York ordinary sales in the first six months of 1955 totaled \$236,688,400, a record increase of 31%. June sales were up 33%. The gains followed introduction of four new policies at low gross premium rates in February.

The average size of policies issued during the first six months reached a new high of \$6,348, compared to \$5,353 for all of last year. President Louis W. Dawson attributed the growth in average size to people's awareness of the need to increase protection and to the four new policies which enable them to buy in greater amounts.

## Hartford Accident Opens Major A&H Operation

Hartford Accident has launched a new A&H department as a major production and underwriting division. Secretary Daniel H. Quigg heads the new operation. He is assisted by Assistant Secretary Willett K. Boger Jr., formerly of the group division, and Assistant Secretary Neil J. Brown, head of the personal insurance division.

Mr. Boger, who was recently promoted to assistant secretary, was with Prudential as manager of the group division at the Los Angeles regional home office and with DeLaney, Klipp & Sturhahn of New York City as manager of the life and group department before joining Hartford Accident.

## Six Months Record Set by New England Mutual

New England Mutual Life's ordinary sales in the first six months of 1955 reached an all-time high of \$227,500,000, up 27%, indicating the company may be in its fifth consecutive record-breaking year.

June ordinary sales of \$49,725,000 made it the second largest month in company history. Biggest month was January, with a \$57,295,000 total.

Leading the year to date is George B. Byrnes agency in New York City with sales totaling \$15,110,833. The June leader was Frank W. Dedman agency in Oakland, Cal., with \$2,701,665.

## Equitable Sets Record; Ordinary Sales up 41%

Equitable Society established the best semi-annual sales record in its history during the first six months of 1955 when ordinary life sales totaled \$728,673,000 for a gain of 41%.

New paid-for group life totaled \$498,088,000, increase \$260 million. Insurance in force rose by \$1 billion to a total of \$23,400,000,000.

A total of \$297,804,000 was paid to policyholders and beneficiaries in the first half. Living policyholders received 71%. Death claims, including accidental death benefits, totaled \$87 million.

## Petition for New Life Company in Georgia

A petition for incorporation of Banner Life Insurance Co. at Brunswick, Ga., will be filed with Secretary of State Fortson. The company plans to sell life, A&H, hospitalization, industrial, group life, group hospitalization and group creditor life.

Initial capital stock will be \$100,000 with the right to increase it to \$500,000. Paid in surplus of \$150,000 will be required. Stock will have face value of \$5 per share. The petitioners are a group of business men.

# WANT ADS

Rates—\$18 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

## SPECIAL OPPORTUNITY FOR 10 PERSONAL PRODUCERS

IN MARYLAND, VIRGINIA, NORTH CAROLINA, TENNESSEE, GEORGIA, SOUTH CAROLINA, MISSISSIPPI, LOUISIANA, ALABAMA OR FLORIDA

If you reside in any one of these states If your paid business was over \$500,000 last year If your lapse rate was below 18% If you want to expand your operations and income

### THIS IS YOUR OPPORTUNITY

If you would like the highest commissions in the industry on personal business

If you would like to appoint sub-agents and, after giving them a top commission contract, receive an override commission

If you would like to have these advantages plus group insurance and personal pension plan. With a major company. Both life and A&H. Then ask about our

### SPECIAL DISTRICT PLAN

In your first letter give (1) personal details about yourself (2) your life insurance history and record (3) small photo or newspaper or magazine picture of self. (Not returnable.) All communications strictly confidential. Our field organization knows about this advertisement.

### ADDRESS:

SALES MANAGER—BOX G-30, The National Underwriter Co., 175 W. Jackson Blvd. Chicago 4, Ill.

## ASSISTANT ACTUARY

A large Midwest company with plans for expansion has a splendid opportunity for young man who has completed his fellowship or associateship examinations. Please write stating experience, age, family status, and expected salary. All eligible members of our staff have been informed of this ad. All replies will be held confidential. Address G-15, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### ASSOCIATE

of Actuarial Society, under 35, with intention and good prospect of completing Fellowship. Several years' insurance company experience. Desires better position with either consulting firm or small insurance company. Address G-26, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### MANAGER

Well established general insurance agency in central Ohio city, population of 80,000, seeks a man of experience capable of taking charge of life, accident and health department. Must be qualified to produce business and train sales force. State experience and qualifications. Box G-17, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Large Personal Producer with some Home Office experience and over 20 years General Agency experience would like state of California or West Coast states for medium sized company on commission basis. Address G-16, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.



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## Four Texas Cities Form State A&H Organization

Chapters of A&H claims and underwriters associations in Austin, Dallas, Houston and San Antonio have established a state organization. The groups have been meeting separately for several years.

At a two-day meeting in Austin, R. B. Donovan, United American Life of Dallas, was elected president; W.P. Hinch, American Hospital & Life of San Antonio, was named vice-president, and Russell Allen, Old National Life of Houston, was elected secretary.

The program included speeches, panels and case clinics. Paul Connor, attorney for the Texas department, spoke on current insurance legislation; Louie Throgmorton, vice-president of Republic National Life, talked on "Settle, Don't Nettle," and Dr. F. C. Lowry, orthopedic physician, talked on mutual problems of physicians and A&H insurers as to claims and underwriting.

Clinics were given by the Houston and Dallas chapters, the latter on major medical and catastrophic insurance.

Representatives of Texas Hospital Administrators Assn. held a panel discussion on "What Is Your Problem With Hospitals?"

## Manhattan Names Miller



Cole A. Miller Jr.

Manhattan Life has appointed Cole A. Miller Jr. general agent at Charlotte, with offices in Liberty Life building.

Mr. Miller has been with Prudential in Charlotte. He previously ran his own distribution business.

## Hearings on Life Sales

WASHINGTON—The House subcommittee headed by Rep. Hebert of Louisiana is scheduled to hold hearings July 28-29 on the sale of commercial life insurance to servicemen in Europe. The hearings will be based on legislative proposals which the committee staff has been drafting to eliminate abuses found by the committee.

## Buy Treasury Bonds

WASHINGTON—Insurance companies subscribed to \$216,399,000 of U. S. treasury department's \$750 million offering of 3% bonds maturing in 1995. Pension and retirement funds subscribed \$257,416,500; endowment funds \$31,414,500; fraternal and labor union insurance funds \$966,000.

## Has Biggest Sales in June

North American Life & Casualty had a record production month in June, new life and A&H business amounting to \$25,497,011. This was the largest single month's production in company history.

## Pru Pays \$467 Million

Prudential paid \$467 million in policy benefits in the U. S., Canada and Hawaii in the first six months, a \$30 million increase, covering all types of claim payments, dividends, annuities and other benefits.

## NIA to Hear Mahoney

Charles H. Mahoney first American Negro to be appointed a full delegate to the U. N. general assembly will speak at the past presidents' banquet at the National Insurance Assn. con-

vention to be held in Cleveland Aug. 2-5. Other speakers were listed in the July 8 issue.

Mr. Mahoney, an attorney, is president of Great Lakes Mutual Life. He will speak on the "United Nations and Its Relationship to the NIA." Response will be made by the association's oldest living president, Dr. J. E. Walker, chairman of Universal Life.

## State Funds Refused for Employee Group A&H Plans

OKLAHOMA CITY—No state funds may be used to pay premiums on group A&H policies for Oklahoma state employees, Gov. Gary has announced.

This policy was determined in a meeting of the governor with state department heads. Recent legislation authorized group A&H policies for all public employees but was vague on means of paying for them.

State Budget Officer Burton Logan warned that departments would face deficits if they used money from general appropriations for premiums. Gov. Gary said the program throughout all departments could cost the state \$1 million or more.

Some departments already have group policies with premiums deducted from employee's pay. These will not be affected by the new ruling.

## Madison Life & Casualty Formed in Alabama

Madison Life & Casualty, a new company with its home office in Huntsville, has been licensed to sell life, A&H, hospitalization and burial in Alabama. A \$500,000 corporation, it was qualified with \$152,000 paid surplus.

President is Barney Musgrove, who has operated an insurance agency in Florence for several years. Other officers are W. B. White, attorney of Birmingham, vice-president; Carl A. Mooring, Jr., attorney of Huntsville, secretary; and C. L. Hollingsworth, public relations man of Centerville, treasurer. The company has 700 stockholders in the state. The company plans to begin writing policies Sept. 1.

## Pan-Am Sales Rise 25%

Pan-American Life's paid-for business increased 25% and its insurance in force gained 24% in the first six months of 1955. Total insurance in force was \$778 million at the end of the six-months period, with a goal of \$800 million by Dec. 31. Assets exceeded \$167 million.

## Eases Military Risk Terms

American United Life has liberalized military underwriting by lowering aviation extra premiums and raising policy limits. A military aviation rider is available which provides full coverage under civilian status while excluding military flying.

## Colonial Sales Records

Colonial Life's June sales, up 4%, made it the largest single month in company history. The recently organized general agency department showed an 87% increase in new business for the first half year.

Total increase in insurance in force was 33%. In force totaled \$377,034,204, an all-time high.

## Electronic Data Processing Book

American Management Assn. has published a new book, *Electronic Data Processing in Industry*, a new report on electronic data processing in industry. It describes the evolution of data processing, the planning stage, equipment and its use and discusses future developments. It is the association's latest publication on electronics, following six others on various aspects of the subject.

# FRATERNALS

## Young Resigns; Succeeded by Son on Maccabees Board

Ruben Young has resigned as a member of the board of Maccabees

after more than 50 years with the organization. His son, Charles R. Young, has been named to fill the unexpired term.

The senior Mr. Young joined Maccabees as a field man at Dallas in 1901, was named district manager in 1916 and great commander of Texas and board member

in 1936. He resigned as great commander in 1953.

Charles Young joined Maccabees as district manager in 1946, was later named Texas field director and succeeded his father as great commander of the state in 1953. He is a former



C. R. Young

director of Dallas Fraternal Council and Texas Fraternal Congress.

## Name Chairmen for NFC Convention Committees

Chairmen of the sessional committees which will function during the annual convention of National Fraternal Congress, to be held September 26-28 at the Royal York Hotel, Toronto, have been announced by Agens E. Koob, NFC president and also president of Women's Benefit Assn. They are:

Credentials, Mrs. Edna E. Dugan, Degree of Honor, constitution, K. I. Kozakiewicz, Polish Roman Catholic Union; resolutions, R. H. Matthias, Lutheran Brotherhood; auditing, Miss Josephine Weigl, Women's Catholic Order of Foresters; reports, A. W. Franklin, United Commercial Travelers; publicity, Mrs. Lorraine Dart, Ladies Catholic Benevolent Assn.

## American Life Names Gerry

Frank E. Gerry of Miles M. Dawson & Son, actuaries and accountants of Springdale, Conn., has been appointed treasurer, actuary and a director of American Life Insurance Association.

**HERE'S A TIP**

Manufacturers Life's single premium immediate annuities are receiving a "top rating" from careful buyers who want a permanent investment free from the whims of the market. For the older investor a Manufacturers Life annuity is one of the best buys obtainable today. It gives him a trouble-free investment, a guaranteed income and provides a high rate of return.

**to Worst Dip Hits Market**

K. May 16 (AP)—Market dropped on slightly ex- of trading. quite steep in going to around outside. There is in the range

signs were small, but some recovery signs appeared near the start of the final hour. Trading came to an estimated 2,390,000 shares.

The market started mixed with a lower tendency developing during the morning.

Steels and aircrafts were a little more active than other areas. Almost all sold lower with the steels and aircrafts including the chemicals, motors, radio-televisions, coppers, electrical equipments, railroads, oils, utilities, and building materials.

**Grain Markets**

CHICAGO      Wheat      Soybeans

Open    High    Low    Close

May    2.21    2.10    2.00

July    2.00    1.90    1.80

For a schedule of the rates that will lead to more annuity sales and more commissions for you, contact one of our Branch Offices.

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THE  
**MANUFACTURERS**  
INSURANCE  
**LIFE** COMPANY  
HEAD OFFICE (Established 1887) TORONTO, CANADA

## N. W. Mutual to Write Rated Risks, Revise Line

(CONTINUED FROM PAGE 1)

women; the days when we deliberated about the merits of a waiver of premium provision in our contracts; the days when we deliberated about the pros and cons of annuities."

In all these situations, Mr. Hill said there was this basic recognition: "That greatness does not maintain a static position. Rather, it represents a constant attempt to meet the needs of the people it serves, and to broaden its horizons without the slightest wavering in its basic principles of quality."

Mr. Hill said the company is as convinced today about the merits of special class business for the benefit of the agency force and that of the Northwestern market, as it was in years past about the merits of added benefits then being considered. "I speak of the merit of service to policyholders who are no longer standard risks, of adequately meeting the growing demand for aviation coverage, meeting the higher incidence of special class business, particularly in the business

insurance and advanced underwriting fields."

Reviewing accomplishments for the first half of 1955, Mr. Fitzgerald said new sales of \$291.5 million brought total insurance in force to \$7.7 billion. He added it is "comforting to find our amount and rate of growth accelerating."

Notable results have been produced in cost control, Mr. Fitzgerald continued. Mortality results continue favorable, investment demand continues high with some strengthening of rates. The company expects to cross the billion dollar mark in its mortgage loan portfolio by the year end. Net rate earned after all expense on mortgage loans has passed 4%, and the company rate on all investments is moving up and projected at 3.6 at the year end, comparing with 3.52 at the end of 1954.

"Growth in a company like Northwestern," Mr. Fitzgerald commented, "can be attained by specialization and individuality, by growing through in-

latter mainly reflected higher benefit payments from OASI trust fund and large unemployment insurance payments.

### Luna Joins Mobile Insurer

H. M. Luna has been named vice-president and agency director for Loyal American Life, the new company at Mobile, Ala.

Mr. Luna has been in insurance in the southeast for many years and is originator of various revolutionary insured investment plans.

### Cleveland CLUs Elect Myers

Harold K. Myers, Travelers, has been elected president of Cleveland CLU chapter. Other new officers are Glenn A. Gault of Equitable Society, vice-president; Robert K. Clark of New England Mutual Life, treasurer, and Robert F. Politzer of Great-West Life, secretary.

### Northwestern Agents Elect Jackson

The Northwestern Mutual Milwaukee Special Agents Assn. has elected C. Morgan Jackson, president; Donald Seymour and Lon S. Bond, vice-presidents, and Rudolph C. Ostach, secretary-treasurer.

ternal strength and doing a better job in its established markets, thus bringing to bear the full force of its tested methods of distribution and the quality of service and offering an opportunity for cost reduction.

"We never have had any aspirations to be the largest," he said. "We have no need to trade down our name, but rather an obligation to enhance it. So, it is our purpose to design a stable growth pattern which gives you a better sense of participation in a successful and satisfying undertaking."

Giving examples of two types of growth, Mr. Fitzgerald recalled that about 30 years ago one of the then two quality automobile leaders decided it could increase output and lower unit cost by producing a low quality car which would carry the prestige of the quality car name. The result was the opposite, however, with resultant unfavorable reaction on the quality leader. The other automobile manufacturer continued to accent its strength and capitalize on the desire for quality. Its subsequent growth came from this strength, and its prestige multiplied through offering a better product at a competitively better price. It is this latter growth, Mr. Fitzgerald said, that is characteristic of Northwestern Mutual.

C. Rigdon Robb of Chicago, president of the Assn. of Agents, presided at the opening session when Mr. Hill paid special tribute to Herman Duval of New York on the occasion of his 50th company anniversary. Mr. Duval and his wife were unable to attend because of other plans. Mr. Hill pointed out that Mr. Duval leads all company agents in personally written business with more than \$53 million to his credit. He has personally paid for 4,593 lives since 1905, an average of 92 lives a year, or nearly two every week. His paid volume averages \$1.64 million a year for 50 years.

There also was shown the dramatic presentation, "Is this your Life?", written and directed by Laffin C. Jones, director of insurance service and planning. The play had its premier showing at the recent annual meeting of MDRT. The plot takes the hero through his introduction to the life insurance business, and through various experiences as a producer that make him aware of his tremendous responsibilities as an agent to his client and their beneficiaries.

For the third time in four years, the L. Lowell Craig agency, Milwaukee, won the agency achievement cup. Nine factors are considered in making the award. On a sales basis, leader was the C. R. Eckert agency at Detroit, with nearly \$20.5 million.

The district agency cup was won by the Robert B. Qualy agency, Fort Atkinson, Wis., and volume leader was the D. E. McTigue agency, Fort Dodge, Ia., with nearly \$3.5 million. Individual leaders were listed in a story in last week's issue.

Davis W. Gregg, president of American College, addressed a luncheon session of company CLU's, and the new agents at their luncheon heard a talk by David McCahan Jr., Philadelphia, whose late father was president of the American College.

Today's agent is assuming the role of the family financial counselor, according to Dr. Gregg. The producer has a greater responsibility to the public than ever before and thus has greater need for advanced education and training. His success depends more on his ability to borrow and

adapt ideas. He needs a great storehouse of technical information, but he especially must make this information adaptable to the needs of each client.

The life insurance industry, according to Dr. Gregg, offers a great variety of opportunities for agents to build knowledge and to apply it through various company meetings, underwriters association meetings and institutional educational programs.

Performance of CLU's has proved the value of education, Mr. Davis pointed out. About 94% make life insurance their life time career, their income is higher than for most professional men, and they are leaders in their community and in the life insurance business.

Dr. Gregg acknowledged "the great debt" of the American College and the CLU program to Northwestern Mutual, pointing specifically to the following: Mr. Hill was a member of the first class of CLU's in 1928 and a long-time trustee of the college; Harold W. Gardiner, director of education and field training, is a long-time member of the American College examining board and author of the soon to be published CLU text on "The Practice of Life Underwriting"; Harry Krueger, New York City general agent, who served as associate editor of the CLU Journal, is vice-president of American Society of CLU.

Mr. McCahan gave some tips for the insurance neophyte. He has sold a considerable amount of insurance on young men his own age by approaching their fathers and pointing out the advantages of an early and substantial start on a program. Many times the fathers are anxious to do something for the son in addition to taking care of his college education, and the beginning of an insurance program is appealing to them.

He also suggested the young agent keep his eye open for business insurance and pension possibilities, even though the sale appears to be complicated. It always is possible to make arrangements with a more seasoned agent who will help with the sale, he stated.

Facts about the insured savings plan, as revealed in a survey, were related by G. S. Richards, educational assistant. Not only are a substantial number of agents using the presentation, but they are getting outstanding results. A study of first-year men in the business indicated those using the plan realized a sale for each 4.3 closing interviews, as compared with a closing ratio of 6.6 for first-year men using all types of selling presentations. While in the form of a prepared and organized sales talk, the ISP presentation still allows individuals to adapt salient points to their respective personalities and thus individualize and distinguish delivery.

Webb F. Dalton, Carroll, Ia., said he has centered his presentation around certain power words and phrases which he has incorporated into the ISP proposal. Americans are quick to recognize a bargain, he said, adding there is no better example of one than being able to enter into a contract which guarantees to pay a stipulated number of dollars at any given time, regardless of conditions at the time the dollars are demanded. The bargain, he stressed, is the fact that one can buy a dollar contract today with relatively "cheap" dollars.

John S. Stobbelaar, assistant director of agencies, said there is a time when the producer should move from

## Phoenix Mutual Names

### Hunkin Atlanta Manager

Phoenix Mutual Life has appointed Alfred J. Hunkin manager at Atlanta. Elmer F. Stover, in temporary charge of the agency for four months, will continue as associate manager.

Mr. Hunkin joined the company in 1951 and was named field supervisor in 1953. He received management training at the home office, Boston, Kansas City and Milwaukee.

## Brownell to Agency Post

Connecticut General Life has appointed Robert H. Brownell, who has been at Des Moines, agency assistant in the home office. He joined the group staff in the Broadway agency, New York City, in 1949 and was named district group manager at Cincinnati in 1951.

## Private Life Savings Set Record

WASHINGTON—Securities and exchange commission reported individual savings in private life insurance set a first quarter record this year.

SEC said equity in private life rose by \$1.5 billion and savings in government insurance and pension funds was \$300 million in the first quarter. The

ANICO representatives are ANICO'S best advertisements

ROBERT E. BLACKERBY  
Manager, Albuquerque, New Mexico

Mr. Blackerby became a Representative with the Denver Agency on October 1, 1949. After only a year and a half, he was promoted to Recruiting and Training Director. The outstanding job done in this position made him a natural choice for Manager when an opening occurred in the Albuquerque Agency. Since his appointment on July 16, 1952, his leadership has been apparent in maintaining the high standards of the Agency which frequently is among the leaders of the company.



## YOU CAN GROW WITH ANICO

- A working contract that permits outstanding earnings.
- Policies that stand out in value against any competition.
- A management philosophy that is based on the axiom that a company succeeds only when its agency force succeeds.
- The most modern and effective selling aid program that can be devised.

For information without obligation address  
"Executive Vice-President"

1905-1955—FIFTY GOLDEN YEARS OF PROGRESS

AMERICAN NATIONAL INSURANCE CO.

GALVESTON, TEXAS

OVER 3 BILLIONS OF LIFE INSURANCE IN FORCE



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the package presentation to program-  
ing as a general method of opera-  
tion, using the company's planned in-  
come approach to provide more com-  
plete service to policyholders Norman  
K. Bishop, Portland, Ore., and Dennis  
W. Laudon, Milwaukee, described their  
success in using this approach.

A panel of three, consisting of John  
P. McDonald, assistant treasurer,  
Clifford E. Hoenk, South Bend, Ind.,  
and Corlett J. Cotton, Lawrence, Kan.,  
conducted an agents' hour, during  
which they discussed the agents'  
retirement plan, including recent  
changes.

Subjects included the new contract  
right which is available for North-  
western agents' use to designate bene-  
ficiaries to receive their terminal  
commissions following death. Also  
discussed was the way this contract  
right can be used to minimize estate  
administration, simplify the distribu-  
tion of the estate assets, and avoid  
delays in the prompt payment of com-  
missions to beneficiaries.

Also reviewed was the new contract  
feature which gives qualified agents  
the opportunity to receive terminal  
commission income in level monthly  
installments over a maximum 15-year  
period following termination of the  
contract by death, disability or retire-  
ment. This gives agents the oppor-  
tunity to level their tax liability as  
well as their income.

Advertising builds up impressions  
consciously or sub-consciously against  
the time when an introduction is  
made, action takes place and the pay-  
off comes, declared Clarence S. Lund,  
vice-president of the J. Walter Thomp-  
son Co., Northwestern's advertising  
agency. There isn't a person who isn't  
carrying in his mind receptivity to  
dozens and dozens of products that he  
isn't at the moment the slightest bit  
interested in buying. Exactly where or  
how the buyer learns about products is  
unimportant really. Usually he can't  
tell where he read or heard about it.  
The important thing is that his mind  
got the message and filed it away for  
future reference—provided, of course,  
the message was repeated often enough  
to really sink in and to be remembered.

In life insurance, Mr. Lund said,  
doors are opened, interviews are made  
easier, and the agent frequently has a  
head start toward signing a contract  
because the company is well and  
favorably known—through word of  
mouth, direct mail or magazine adver-  
tising, impressions which may have  
been made years ago.

"Advertising can never take the  
place of personal selling in life insur-  
ance," he continued. The agent alone  
can adapt the program of the specific  
need of each policyholder, plan his  
estate, provide the service and answer  
his questions.

One of the company's most revered  
veteran agents, Clyde O. Law, Wheel-  
ing, W. Va., discussed "My Career With  
Northwestern." He joined the company  
in 1905 and later as general agent in  
West Virginia developed one of the  
largest company agencies, bringing a  
number of men into the business who  
became successful agents and general  
agents.

The program featured a presenta-  
tion on business insurance, which is  
reported elsewhere in this issue. The  
several recreational features included  
special events for the women in  
attendance, a dinner dance and a ball  
game between the Milwaukee Braves  
and Philadelphia Phillies.

## ASSOCIATIONS

### New Orleans Elects

#### Paul Light President

New Orleans Assn. of Life Under-  
writers has elected Paul Light, Tra-  
velers, president to succeed Leo Lob,  
Home Life.

Others elected were Clay E. Thomas  
Jr., New York Life, 1st vice-president;  
Robert Eckstein, Equitable Society,  
2nd vice-president; Carol Preau, Met-  
ropolitan Life, secretary; Jack W.  
King, Prudential, treasurer; James W.  
Smither, Union Central Life, national  
committeeman; and Henry J. Milten-  
berger, New England Mutual Life,  
state committeeman.

Elected to the board for three-year  
terms were Adrien J. Soulagnet, Na-  
tional Life & Accident; Joseph Holla-  
day, Jefferson Standard Life; and  
Donald DeGeorge, New York Life.  
Elected to the board to fill vacancies  
created by election of officers were  
C. M. Brandt, Prudential; and Kent  
LeMarie, Equitable Society.

### Adams Urges Agents Be

#### Alert to SS Expansion

The current effort in Congress to  
amend the social security act to add  
cash disability benefits and lower to  
62 the eligibility age for women em-  
phasizes the need for continuous  
efforts by agents to prevent the  
smothering of insurance by a federal  
tax device, warned Albert C. Adams,  
John Hancock general agent at Phila-  
delphia, at a meeting of New Haven  
Assn. of Life Underwriters.

Mr. Adams, who is a trustee of  
NALU, said the political advantages  
of continued increases and new types  
of payment under OASI are unlimited.  
He stressed that any system of federal  
social benefits must be coordinated  
with and not a substitute for life  
insurance.

### Lexington Assn. Elects

Lexington Assn. of Life Under-  
writers has elected Max Hassell,  
Metropolitan Life, president to suc-  
ceed Lawson Brandenburg.

Clayton Cruise and Lewis Carlock,  
were elected executive vice-president  
and vice-president, respectively, and  
George Buchanan was chosen treas-  
urer. Ed Baylous, Western & Southern  
Life, was elected to the board. Howard  
Reynolds, Commonwealth Life, was  
chosen national committeeman.

Minneapolis—The Twin City Women's as-  
sociation has elected Mrs. Floyd Carlson of  
White Bear Lake, president; Mrs. Ralph W.  
Schutz of Minneapolis, vice-president, and  
Mrs. Melvin Krause of St. Paul, secretary-  
treasurer.

Syracuse, N. Y.—Wallace E. Grosh, Metro-  
politan Life, is the new president; Frederick  
T. Cook, Prudential, vice-president; Charles  
W. Bennett, State Mutual Life, treasurer; and  
John J. Kinane, Union Mutual Life, secretary.  
National quality awards have been presented  
to 48 members.

San Antonio—Newly elected officers are  
Woodrow W. McGill, Prudential, president;  
Harris B. Kimbell, National Life & Accident,  
vice-president; Bernard D. Lamoreaux, Ameri-  
can H. & L., secretary, and Rex Cruse, Acacia  
Life, treasurer.

Indianapolis—Life Insurance Women's Assn.,  
at its charter meeting, chose the follow-  
ing officers: Miss Mary Sasser, Pilgrim Life,  
president; Miss Opal Jeffries, vice-president;  
Miss Alice Alexander, recording secretary;  
Miss Ann Custard, secretary-treasurer; and  
Mrs. Georgiana Courtney, membership chair-  
man.

Austin, Tex.—Paul D. Connor, legal ad-  
viser to the Texas Board, gave a humorous  
portrayal of an applicant taking the newly  
devised examination to be in effect because  
of the passage of the agent qualification law.

O. P. Schnabel, Jefferson Standard Life, San  
Antonio, NALU trustee, presented the 100%  
membership plaque to Ford Munnerlyn, vice-  
president and agency director of American  
General Life, stating that it was the only com-  
pany domiciled in Texas which qualified.

Saginaw, Mich.—New officers are J. R.  
Storm, president; M. J. Houlihan, 1st vice-  
president; John G. Topliff, 2nd vice-president;  
Mrs. Amalia Van Gordon, secretary; T. M.  
Taylor, treasurer and W. H. Pendell, national  
committeeman.

Port Huron, Mich.—New officers are D.  
V. Glynn, president; W. A. McComber, vice-  
president; J. M. Dowd Jr., secretary; W. M.  
Sargent, treasurer, and C. B. Bauslaugh, na-  
tional committeeman. The election meeting  
was addressed by John D. Haller, Flint, Re-  
tail Credit Co. eastern regional manager.

Philadelphia—Dan T. Lilley, agent of Penn  
Mutual Life at Kinston, N. C., spoke on  
"Different Types of People and How to  
Handle Them."

## Detroit, Cleveland Lead in Six Months Ordinary Increases

Detroit and Cleveland led large  
cities in percentage of increase in the  
sale of ordinary life in the first six  
months with 29% each, while Cleve-  
land showed the greatest increase for  
June with 52%, according to LIAMA.

For the other large cities, the per-  
centages of increases for June and the  
year-to-date, respectively, were: Bos-  
ton, 40 and 28; Chicago, 36 and 21; Los  
Angeles, 37 and 26; New York City,  
27 and 23; Philadelphia, 31 and 21; and  
St. Louis, 37 and 22. The June increase  
for Detroit was 29%.



Pictured at ground-breaking ceremonies for Mutual Benefit Life's new 20-  
story home office building on Broad street in Newark, are from left: Alfred J.  
Lewallen, Miami, official representative of the company's general agents; W.  
Paul Stillman, chairman; H. Bruce Palmer, president and Harold M. Covert  
of Allentown, Pa., the company's leading agent.

## ACTUARIES

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Consulting Actuaries

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### IND. & NEB.

#### Haight, Davis & Haight, Inc.

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#### W. J. BARR

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HOME STATE LIFE BUILDING  
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### PENNSYLVANIA

#### FRANK M. SPEAKMAN

CONSULTING ACTUARY

ASSOCIATE

E. P. Higgins

THE BOURSE PHILADELPHIA

## Company Presidents Comment on Current Trends

(CONTINUED FROM PAGE 3)

no reason for the encroachment of either savings bank life insurance or government intervention in the life insurance business.

In regard to special low cost policies, he said that in his personal opinion this trend was neither in the best interests—of the public or the field forces. Minimum policies are a problem confronting the agency system today and in his judgment are inimical to the best interests of the business. Many more agents will have to diversify their sales appeal and sell on the basis of actual needs rather than on price appeal. As the trend toward special policies continues, he feels that sooner or later the agents will be affected by reduced commissions due to the lower premium charged for these policies. In his estimation, special policies are not the answer to a company's production problems.

Mr. Johnson said that he personally couldn't get excited about special policies because practically all companies have always had them. He cited his own experience in the field some years ago when he sold small basic policies with family income riders in order to tailor-make a program to fit the needs. He feels it would not be well if the life insurance business ever got to the place where it competed on price or cost alone. In order to overcome the tendency toward "specials", he said the agent should have the capacity to sell the need and price would take care of itself. If the agent doesn't have the capacity to sell the need, then price naturally would be a primary consideration of the prospective buyer.

Mr. Worthington said that all policies are mathematical equivalents. Today we are living in a luxury market and real competition exists with other goods and products rather than with competitor life companies and their policies.

Mr. McLain added that the agent should analyze his market with respect to his previous experience. He should concentrate on a simple program approach. Mr. McLain feels the new agent could accomplish this objective by segregating specific needs based on the man's ability to buy. In other words the agent should take care of first things first rather than attempt to sell the entire program. Later, as the man's economic picture improved and his prospect's ability to buy increased, the agent should return and take care of the next most pressing need.

Mr. Worthington said he thought the agent should try to get a prospect to consider his problem first on a purely selfish basis and then show him how life insurance can help solve his aspirations for his family and himself. His company procedure involves trying to get a prospect to visualize his life insurance needs on an over-all basis and then attempting to work out the program in a step by step solution depending on the prospect's circumstances.

In the discussion regarding the increased volume of term insurance being sold today, Mr. McLain said that 10 to 12% of the business was on a term basis in the early 1920s. This percentage rose perceptibly during the depression. After the second world war, some agents felt the best way to complete a life insurance program was through the use of term insurance. Mr. McLain feels that today permanent life insurance should be sold more frequently because people can afford to buy. If an agent establishes the need, permanent life insurance is in most

cases the best solution to the average man's problem.

Mr. Worthington added that the amount of permanent insurance sold today depends in large measure on the degree to which an agent "waters down" his sales appeal. He said that his company was making a study of term riders in view of the so-called luxury market being experienced today and he was sure some interesting facts and figures would result from it.

While Mr. Johnson warned that it is dangerous to deal in averages, he said the amount of life insurance the average man now owns is far below what his family could be expected to live on today if he died prematurely. Total life insurance in force is far below the amount which should have been sold. If each agent would work on the theory of selling a minimum of four to five times a man's annual income there would be over a trillion dollars of life insurance in force instead of the \$334 billion of protection now owned.

All life insurance agents should have some kind of arbitrary measuring rod to put their story across. Four out of five families have life insurance of some kind today. To a degree, ownership is related to family income, and the highest proportion of insured families are those with incomes of \$3,000 and more. Compared with the 1940 census, 12 times as many families have incomes of \$3,000 or more. As American industry has stepped up its efficiency and produced more, millions of Americans have been able to earn more. This is a vast market and this additional income has given them new opportunities to buy homes, to give children more education, to own more conveniences and comforts, to put money aside and to buy life insurance to guarantee a financial backlog if the father were to die. He advocated a practical approach to this market by taking care of two outstanding principal needs for this group: (1) Provide money to take care of last expenses, and (2) Provide an amount of income for a man's family sufficient for them to readjust themselves to a new economic environment. While this might not be an ideal approach, he said it is a practical way to increase the average man's life insurance estate so that his two most important and pressing needs could be met.

Mr. Johnson was asked to make a few specific suggestions how a field man can contribute to the development of good public relations in the business and thus also to his own prestige in his community. Defining public relations, Mr. Johnson said that it was simply "making people like you the way you want to be liked." It is well to keep in mind that people don't have to do business with you. However, they are more apt to do business with a person they like than a person they dislike. The quickest way to alienate a person is to forget or overlook him. He gave three simple formulas as a guide to the development of good public relations: (1) The agent should determine who are his publics in his community; (2) what do your publics think of you? and (3) what do you want your publics to think of you?

Mr. Johnson outlined the following guide for an agent to develop public relations for the business and himself in his community: (1) Know your business; (2) keep your policyholder's interests uppermost in your mind; (3)

be positive, aggressive but never offensive; and (4) live in the community as a good citizen and cause people to like you by participating in community affairs and activities. He said that good public relations is a valuable ally in business. If one is to be more successful in the life insurance business, he should be a good public relations practitioner, not only for himself and his company, but for the life insurance business as a whole.

Vice-president Eric G. Johnson of Colonial presided and introduced the speakers.

The several parts of the selling process were analyzed by Edward J. Hilbert, James I. Hyde, Richard D. Eichenberger, Sanford R. Johnson and William J. Rogers, all Colonial Life general agents. In addition, Joseph F. Kelly, Jr., William F. Kavanaugh, Edward J. Leonard and Thomas J. Moran participated in demonstrations in connection with the sales process.

President Evans outlined the company's ideals and objectives and invited suggestions and questions from the public, its policyholders and its agents on the company's operations.

A panel of home office executives answered questions regarding Colonial Life's practices and procedures. The panel included Eric G. Johnson, vice-president, as chairman, William C. Brown, vice-president and actuary, William H. Fissell, superintendent or-

dinary agencies, Joseph B. Treusch, director of public information, and Gerald W. McEwen, agency assistant.

Donald W. MacConnell, agent at Red Bank, N.J., gave a talk on his 1955 goal, based on selling as many lives as possible. He felt that if he could get his story across to as many people as possible, he would accomplish his volume goal.

A two-minute sales idea forum followed, in which the audience participated by contributing brief but effective sales ideas out of their own experiences.

Vice-president Johnson gave the closing talk of the conference. He pictured the dynamic economy of today with its excellent climate for sales as contrasted with the situation in the 1930's.

"But it will be smart to remind ourselves," he said, "that in good times or otherwise, the service we distribute must be sold. We are constantly competing with those things which provide immediate comforts and pleasures and leisure, while life insurance benefits will come in the future. It is to be hoped that the present prosperous times do not give us the notion that economic adversity might never again occur. Today, the life insurance underwriter has an unparalleled opportunity to create a backlog of renewal income that will serve him well years hence."

## SENATE DELAYS LIFE COMPANY TAX BILL

(CONTINUED FROM PAGE 1)

til an investigation is made by the treasury and Congressional committees. Mr. Schmuck said the formula would result in taxing a steadily decreasing percentage of aggregate free interest of the companies. He said his calculations indicated that, of 20 of the largest companies doing business in District of Columbia, three would have paid less under the proposed formula than under the 6½% formula on the basis of their 1954 operating results. The other 17 would have paid between 108% and 120% of the taxes actually payable for 1954 under the 6½% method.

After the hearing, a letter from Claris Adams and Eugene M. Thore, general counsel of ALC and LIA, respectively, was sent to members of the Senate finance committee which is headed by Sen. Byrd of Virginia. They warned against withholding action on the legislation, pointing out that a delay would work a hardship on policyholders because the life companies would be hindered in computing and distributing dividends. They also took issue with the position of the treasury department and Acacia Mutual Life.

The life company organizations also made public a study of the relative tax positions of 10 of the largest companies under the stop-gap method and under the proposed new formula. The figures revealed the companies would pay more taxes under the Mills-Curtis bill.

During the Senate hearing, Mr. Hogg said the bill provides three sound and basic principles for life company income taxation: that investment income is the only practicable base for income taxation of life companies; that due recognition must be given to the fact that certain of the investment income must be used to maintain sound reserves; and that stock and mutual life companies should be taxed on the same basis. Mr. Hogg said the bill provides tax relief for small, new companies in their early development and growth stages.

The pending bill contains improvements over previous federal tax laws,

he said, in that it provides a redefinition of gross income to include oil royalties and certain other types of income, it contains safeguards against tax avoidance, applies corporate tax rates to a reduced tax base instead of a low tax rate to a higher base, is applicable to the life business on a company-by-company basis, and it allows deductions for income allocable to pension plans, annuities and similar types of life company contracts.

Mr. Hogg observed that the bill also provides for separate taxation of A&H insurance business income of the life companies, as distinct from income on their life insurance business.

With regard to the major deduction of 85% of income allocable to their life insurance business for the purpose of establishing and maintaining reserves from which to meet the claims of policyholders and their beneficiaries, Mr. Hogg pointed to the report of the House ways and means committee, which set forth that while the companies in recent years have considerably strengthened their reserves, "it does not appear desirable that tax liability should depend on pure bookkeeping changes" and that "the ratio of interest requirements to current earnings, interest earnings will vary considerably over time because of the slow adjustment of reserve interest patterns to changing interest rates."

## Columbian National Names Campbell at L. A.

Columbian National Life has appointed Kenneth Campbell general agent at Los Angeles.

Mr. Campbell has been in life insurance since 1949 and was brokerage manager for Columbian in Los Angeles for three years.

## Life of Va. Promotes Greenlee

William J. Greenlee, associate manager of Life of Virginia at Evansville, Ind., has been promoted to field training supervisor of combination agents in Indiana.



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# HOW DO YOU STAND?

It is not enough for your own agents to know that your company is "all right." The public gets its impressions of any company from the whole body of agents and brokers, including thousands who do not represent it, and yet are answering inquiries about it.

The agency list of any company is really very small compared to the total number of agents and brokers in the United States. It is assumed that a company stands well with its own agents, but how does it stand with the thousands of others who do not represent it, but from whom the public is most likely to get its impressions?

After all, if an assured wants to get an unbiased opinion of a company, that opinion is sought among those not representing the company. Those representing it are known to be prejudiced in its favor.

How do you stand among the agents and brokers of the country that do not represent you? What do they say about you? What have you said about yourself in the advertising pages of The National Underwriter? Are you "well and favorably known" to them through the advertising you have done, or do they have to hesitate and stall when your name is mentioned?

If they do it is costing you money. It is costing you a great deal more than the money you think you are "saving" by not advertising in The National Underwriter. The progress of a company that is unknown to the rank and file of agents and brokers is slow and difficult—against the current. No company should impose this extra burden upon itself when it can be removed by regular advertising in The National Underwriter.

*The* **NATIONAL  
UNDERWRITER**

Largest Circulation of Any Weekly Insurance Newspaper



Number 28 of a series.



## SAFETY is a far greater problem now!

**M**AYBE you have memories of scenes like the one above when the "horseless carriage" was just beginning to roll along our roads and streets. You may remember, too, how careful the drivers were . . . and how everyone took precautions to avoid accidents with the new and wonderful machines.

Automobile safety was important then, but it is far more so now. This is because the modern car is such a sensitive and powerful machine . . . and because today our

streets and highways are crowded with over 58 million registered motor vehicles. Furthermore, most city streets were laid out when horse-drawn vehicles were the principal means of transportation.

Safe motoring is, of course, vital the year round if the toll of lives from motor vehicle accidents is to be reduced. That toll now amounts to more than 36,000 fatalities a year.

During the summer, motorists on week-end outings or long distance touring are

especially tempted to be careless. Such drivers are frequently in a hurry to reach their destinations, and often try to crowd too much mileage into too little time.

**This get-there-quick urge** may lead to dangerous situations . . . and rob motoring of its fun. So, before you get behind the wheel this summer, would it not be a good idea to take a look at your driving habits? Here is a quiz that you can take. Your score may determine how safe you, your family and others on the road will be.

| Count 10 points for each question   |  | Your Score | Perfect Score 100  | Your Score |
|---|--|------------|--|------------|
| 1. Are your brakes in proper working order?   |  |            | 6. Do you keep in line when nearing the top of a hill or a sharp turn?                                   |            |
| 2. Do you carefully observe all traffic regulations, particularly about speed?            |  |            | 7. Do you slow down at darkness so you can stop within the distance illuminated by your headlights?      |            |
| 3. Do you watch movements of other cars and try to anticipate what their drivers will do? |  |            | 8. Do you have your car checked before starting on a long trip?  |            |
| 4. Do you always stop driving when you feel fatigued or ill?                              |  |            | 9. Do you give other motorists a break by signaling in ample time before stopping or changing direction? |            |
| 5. Do you drive with extra caution when pedestrians, especially children, are about?      |  |            | 10. Are you familiar with the distances required to bring your car to a stop at various rates of speed?  |            |

Every time you take the wheel . . . remind yourself that your driving is, at the moment, your most important responsibility. Then you will be a better driver, a safer driver. Most impor-

tantly, you will be doing your part to make our streets and highways less hazardous for everyone. At the same time, you will increase the pleasure of your driving.

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1 MADISON AVENUE, NEW YORK 10, N. Y.



This advertisement is one of a continuing series sponsored by Metropolitan in the interest of our national health and welfare. It is appearing in two colors in magazines with a total circulation in excess of 31,000,000 including Collier's, Time, Newsweek, Saturday Evening Post, Ladies' Home Journal, Good Housekeeping, McCall's, Woman's Home Companion, National Geographic.